# FINANCIAL TIMES

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## NEWS SUMMARY

### GENERAL

## Runcie booed out of pulpit

Dr Robert Runcie, Archbishop of Canterbury, left the pulpit during a church service at a Liverpool parish church yesterday when it was interrupted by a group of demonstrators angry about the Pope's visit to Britain in May.

More than 100 Protestants, some waving orange lodge sashes, booed and jeered throughout Dr Runcie's address. They were protesting at the Pope's plan to preach in Liverpool's Anglican cathedral.

**Zimbabwe swoop**

The two top military commanders of Joshua Nkomo's guerrilla army were arrested by Zimbabwe police. Page 4

**Mitterrand visit**

President Reagan is expected to stress agreements between the U.S. and France on world issues during President Mitterrand's day trip to Washington today.

**Reagan invitation**

Chancellor Schmidt's Social Democratic Party proposed U.S. President Ronald Reagan be invited to address the Bundestag in Bonn in June.

**PC stabbed**

PC John Egerton, 20, was stabbed to death while hunting an intruder in a factory at Farnworth near Bolton.

**Scandal alleged**

The superintendent of a government-run children's home in Co Down, Northern Ireland, has been suspended from duty following allegations of homosexual activity.

**'Don't pay' plea**

Dave Wetzel, chairman of the GLC transport committee, urged London Transport passengers to refuse to pay the 100 per cent increase in fares on March 21. Page 6

**Boycott disowned**

Cricketer Geoff Boycott was publicly disowned by 41 members of South Yorkshire County Council who claimed he had besmirched their reputation by playing in South Africa.

**Judge intervenes**

A judge ordered a baby born with a chest infection to be given a blood transfusion after its parents, Jehovah's Witnesses, refused medical help.

**Awards for FT**

Three Financial Times journalists have been named in the British Press Awards: Alan Friedman, Philip Rawstorne and Robert Cottrell. Page 7

**Coup attempt**

Lt-Col Daysi Bonterse, Surinam's army chief, has been detained in an apparent coup

**Price of triumph**

French pilot Alain Marchand was find Fr 5,000 (£455) for flying his light aircraft through the Arc de Triomphe in Paris.

**Briefly . . .**

Lord Wilberforce retired at 75 after 17 years as a Law Lord.

Nine candidates are standing in the Glasgow Hillhead by-election. Page 10

Nicaragua protested at overflights of U.S. spy planes.

Five New Zealand rugby officials are to visit South Africa.

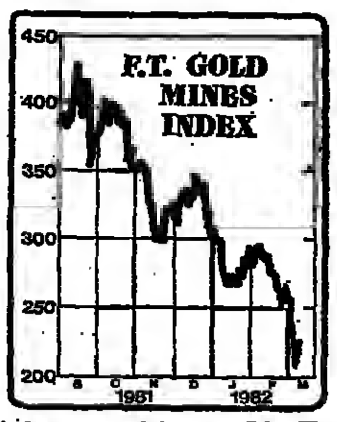
**FINANCIAL TIMES**

The Financial Times apologises to readers who did not receive a copy of the paper yesterday. This was due to production difficulties.

### BUSINESS

## Equities up 8.4; Sterling improves

● EQUITIES improved on news of the half point cut in base lending rates. The FT 30-share




index rose 8.4 to 567.9. The Gold Mines index rose 8.2 to 228, a two-day gain of 18.8. Page 36

● GILTS eased in brisk trading. The Government Securities index slipped 0.04 to 68.71. Page 36

● WALL STREET was 4.57 up at 809.46 near the close. Page 31

● STERLING finished unchanged in London at $1.811 but improved to DM 4.2925 (DM 4.2), FFr 10.985 (FFr 10.925), SwFr 3.2875 (SwFr 3.265) and Y433.5 (Y430). Its trade weighted index rose to (90.1). Page 30

● DOLLAR was firmer in London, reflecting a rise in Eurodollar rates. It rose to DM 2.3685 (DM 2.357), FFr 6.066 (FFr 6.035), SwFr 1.809 (SwFr 1.8575) and (Y237.25). Its trade weighted index was 113.3 (112.9). Page 30

● GOLD fell $2 in London to $330½. Page 30

● NEB is to set up two small business investment companies with funds of about £2m each on Merseyside and in the South-West. Back Page

● STOCK EXCHANGE chairman was told by big users of the market there was little justification for proposed increases in share and gilt edged transaction charges. Page 7

● IRAN and Turkey have revived a 15 year-old plan to pipe Iranian oil and gas to Europe. Page 5

● TEXACO plans to build a £100m plant at its Pembroke refinery in South Wales so it can meet stiffer regulations on the lead content of petrol. Page 6

● MEXICO'S foreign trade bank is trying to arrange a $130m (£72m) loan for Nicaragua. Page 4

● BRITISH SHIPBUILDERS' 67,000 workers are to be urged by their unions to accept a 6.5 to 7.5 per cent pay offer. Page 9

● DE LOREAN CARS' unsecured creditors could expect at least 30p in the pound if the group was restructured as a going concern, said the Receivers. Back Page

● ROYAL DUTCH/SHELL, the world's second biggest oil group, warned it was likely to trim its investment plans if prices continue to tumble. Back Page and Lex; Details, Page 22; New Chief, Page 6

● CADBURY SCHWEPPES, the food and drinks group, increased pre-tax profits last year by 31.5 per cent to £80.6m. Page 22; Lex, Back Page

● UNITED BISCUITS (Holdings) increased taxable profits last year from £49.2m to £60.9m. Page 22

● HTV, television programme contractor and fine art dealer, increased pre-tax profits from £1.51m to £3.46m for the six months to end January. Page 22

## CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

| | | |
|---|---|---|
| **RISES:** | | |
| Trea. 2pc I.L. 1996 | £103 | + 3 |
| Trea. 12½pc 2003-05 | £97¼ | + 1 |
| Beecham | 235 | + 7 |
| Bowater | 248 | + 6 |
| Bronx Eng. | 16 | + 3 |
| Brooks Watson | 30 | + 5 |
| Exco Int. | 220 | + 10 |
| Fisons | 295 | + 10 |
| GUS A | 503 | + 13 |
| GKN | 163 | + 6 |
| H.A.T. Group | 92¼ | + 4½ |
| HTV N/V | 146 | + 18 |
| Heath (C.E.) | 320 | + 10 |
| Indepcodt. N'papers | 88 | + 8 |
| Ladbroke | 155 | + 6 |
| New Equipment | 32 | + 3 |
| Pentos | 15 | + 2 |
| Racal Elect. | 360 | + 7 |
| Spencer Clark | 20 | + 3½ |
| Std. Telephoocs | 490 | + 25 |
| Stocklake | 128 | + 18 |
| Thorn EMI | 435 | + 7 |
| Tube Invest. | 138 | + 12 |
| BP | 280 | + 6 |
| NCC Energy | 102 | + 9 |
| Shell Transport | 350 | + 12 |
| Anglo Am. Cpn. | 455 | + 10 |
| Bond Cpn. | 82 | + 8 |
| De Beers Defd. | 237 | + 5 |
| Driefontein | 952 | + 110 |
| Gencor | 760 | + 60 |
| Kloof Gold | £11½ | + ½ |
| Messina | 207 | + 12 |
| Minorco | 340 | + 36 |
| Western Mining | 212 | + 8 |
| **FALLS:** | | |
| Lloyds Bank | 460 | − 5 |
| NatWest Bank | 450 | − 5 |
| Nu-Swift | 33½ | − 3½ |
| Utd. Biscuits | 123 | − 4 |
| North Broken Hill | 110 | − 8 |

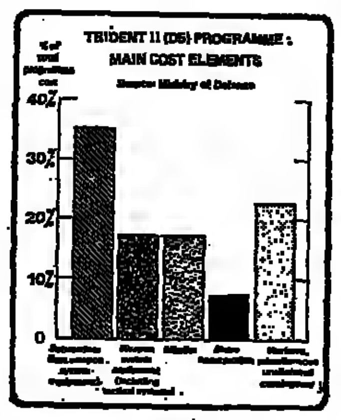
# UK to buy advanced Trident II missiles for £7.5bn

BY BRIDGET BLOOM, DEFENCE CORRESPONDENT

THE GOVERNMENT has decided to modernise Britain's independent nuclear deterrent by buying the advanced Trident II missile from the U.S.

Mr John Nott, Defence Secretary, announcing the long awaited decision in the Commons yesterday, said the new Trident system would cost £7.5bn at September 1981 prices. He claimed that this was within government estimates made public a year ago.

Mr Nott, speaking after the Cabinet had met to agree the decision, confirmed that Britain would build four new submarines to replace the existing Polaris submarines which, with their earlier generation of





needs, Mr Nott said the nuclear warheads on each missile would be controlled by Britain. There would certainly not be as many as the 14 warheads which will be deployed on the American version.

He also hinted Britain would have only 12 missiles in each submarine, half the number to be deployed by the U.S.

But Mr Nott's defence of the new deal failed to deflect criticism from the Opposition. Mr John Silkin, Labour spokesman on defence, said bluntly that a future Labour government would cancel the Trident deal.

Mr Silkin said that the decision to buy Trident would "escalate the arms race," break the spirit if not the letter of the nuclear Non-Proliferation Treaty, and would divert resources from Britain's conventional armed forces.

Mr Nott told the Press conference that by May 1984, the latest possible date for a general election, £350m would have already been spent on the project.

Mr David Steel, for the Liberals, and Mr David Owen, for the Social Democrats, also roundly criticised the deal. Dr Owen, a former Labour Foreign Secretary, said he believed the decision to modernise Polaris was premature. No decision was needed until 1990, he claimed.

Mr Nott, however, emphasised his belief that "no other use of our resources could possibly contribute as much to

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U.S. disarmament movement gathers momentum, Page 4
Opposition unites against Trident, Page 10
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American missiles, currently provide Britain's strategic nuclear deterrent.

The new submarines, at 14,800 tons displacement, will be nearly twice the size of the Polaris vessels, Mr Nott told a press conference later.

In an apparent effort to head off criticism that the new Trident system would be much more powerful than Britain

# Poland cuts arrears on 1981 Western bank debt

BY DAVID BUCHAN AND CHRISTOPHER BOBINSKI IN WARSAW

POLAND has reduced the interest arrears on its 1981 debt to Western banks to "almost zero"—$10m-$20m (£5.5m-£11m) and is confident of finally signing a formal rescheduling of its 1981 debt of $2.4bn by the end of this month, Mr Marian Minkiewicz, President of Bank Handlowy, Poland's foreign trade bank, said yesterday.

But in an interview, Mr Minkiewicz and Mr Jan Woloszyn, his deputy, who handles the complex negotiations with more than 500 Western banks, made clear that rescheduling a similar amount of eWstern bank debt falling due this year could be more difficult without a marked improvement in Poland's hard currency trade balance.

Mr Minkiewicz said it would probably be impossible if Western governments did not agree to reschedule the $2.2bn which they have guaranteed and which also falls due this year.

Mr Woloszyn admitted that in its talks with Western banks, Poland was trying to bring pressure to hear on their governments to reschedule. Most Western governments have refused to reschedule their debt until General Wojciech Jaruzelski, Poland's militant leader, ends or significantly relaxes martial law.

The leaders of Handlowy Bank, which handles all Poland's foreign exchange dealings, stressed that it was in Western bankers' interest to grant Poland speedy short-term trade credits. This would help improve export earnings and aid Poland's ability to repay.

"We have had *indications* that some commercially-minded banks might do this, including one major West German Bank," although only after Poland had met all its obligations on 1981 debt, said Mr Minkiewicz.

The Soviet Union has not given Poland any further hard currency loans so far this year. Last year Moscow lent Poland $485m and rescheduled about $999m of earlier loans in convertible currencies.

But, Mr. Minkiewicz said, partly as a result of General Jaruzelski's successful trip to Moscow early this month, the Soviet Union had speeded up deliveries, largely on credit, of raw materials such as cotton, iron ore, and metals.

Parliamentary deputies in Warsaw have been told that the Soviet Union has undertaken to deliver between 25 and 40 per cent of its total planned

Continued on Back Page

# ICI to buy Swiss PVC plants

BY SUE CAMERON, CHEMICALS CORRESPONDENT

THE PVC-plastic business of Lonza, a subsidiary of the Swiss-based Alusuisse group, is to be bought by Imperial Chemical Industries. Neither company would give details of the price but chemical industry experts reckon the deal involves np to £50m.

*ICI will gain 80,000 tonnes* a year of PVC (polyvinyl chloride) capacity, in Switzerland and West Germany, but at a time Western Europe is suffering from massive overcapacity in this particular plastic. PVC is used for packaging films, and for pipes for the construction industry.

Nearly all the European producers, including IVI, are losing money on their PVC businesses. ICI itself has about 400,000 tonnes of PVC capacity in the UK and on the Continent.

The group's annual report was published yesterday. It states specifically that the most serious losses in plastic materials last year arose on bulk plastics, including PVC.

The UK-based chemicals giant appears to see three main advantages, however, in its acquisition of Lonza's PVC business:

● Lonza makes special PVC grades which ICI does not, such that the purchase will expand and strengthen ICI's product range.

● ICI produces one of the main raw materials for PVC making, at its new complex at Wilhelmshaven, West Germany. It already supplies raw material to Lonza. The new deal will give it a bigger outlet for its Wilhelmshaven prodnction.

● The sale will strengthen ICI's presence on the Continent. ICI has not been as strong in the Continental market as some West German competitors

The acquisition will be subject to approval from the West German Cartel Office. It will be phased over three years, starting next January. Lonza will remain connected with the business during transition.

The idea of a three-year sale period is to retain continuity and customer confidence. The deal includes Lonza's PVC marketing division.

Western Europe has an estimated 5.6m tonnes a year of PVC plastic capacity. Consumption last year, however, was reckoned to be 3.7m tonnes. ICI, one of more than 20 European producers, expects the PVC market to grow at about 3 per cent a year in Western Europe.

## CONTENTS



*For latest Share Index phone 01-246 8026*

# Banks cut base rates to 13% on Budget cue

BY MICHAEL CASSELL AND WILLIAM HALL

THE high street banks took their budget cue yesterday and cut the cost of overdrafts by reducing their base rates by the expected half a percentage point to 13 per cent.

No decision was taken on their mortgage rates although the building societies are today expected to press ahead and recommeod a 1½ percentage point cut in the record 15 per cent home loan rate.

Most of the banks are charging 15 per cent for mortgages and are expecied to decide whether to adjust these rates after the societies' announcement today.

*Barclays. Britain's biggest* bank, led the way to lower base rates yesterday morning. By early afternoon all the big clearers had made similar cuts.

Mr John Quinton, Barclays' seoior general manager, said the "downward trend in interest rates continues, which is good news for industry and the country generally."

In the mooey markets the seven-day interbank rate, one of the main influences on base rates, shed ½ to 14½ per cent. However, the three-month rate, which had already discounted a base rate cut, was unchanged at 13½ per cent.

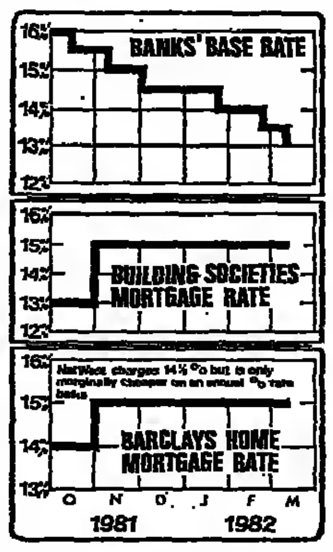
The downward trend in UK interest rates contrasted with the position in the Eurodollar market where three mooth rates rose by another ⅛ to 14⅞ per cent.

The building societies will announce their new rates without knowing what the clearing banks ioteod to do about their mortgage loan charges, but they believe the banks will be unable to match them.

There is a fear, however, that any further significant fall in base rates could give the banks room to get back on an equal footing or again establish a marginal lead, quickly leaving the societies with an uncompetitive mortgage rate which would then have to be adjusted.

*The banks' rate has been* marginally more attractive than that of the societies, which do not quote the annual percentage rate (APR).

Although the societies have, perhaps more than ever before, been concerned to establish a competitive mortgage rate, they have also tried to ensure their savings rates remain attractive in a highly competitive savings market.




The societies are particularly pleased that the 23rd issue of National Savings Certificates—which offered 10.5 per ceot net against their ordinary share rate of 9.75 per cent—has been withdrawn an dthat the Government has reduced by £500m to £3bn its Natiooal Savings target for 1982-83.

Against this background and with a still healtby level of mortgage demand to finance, the societies believe their new investment rates, which are expected to come down by 1 per cent, will eoable them to maintain the improvement in net receipts experienced in the early months of 1982.

On the banks' mortgage rate, National Westminster said yesteday "we are in a competitive market place and it often pays to be last."

Barclays Bank, which bas over £1bn lent on mortgages and is lending new money at a rate equivalent to one of the top four building societies, said that it expects to announce its new bome mortgage rate next week.

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**£ in New York**

| — | Mar. 10 | previous |
|---|---|---|
| Spot | $1.8130-8150 | $1.8075-8095 |
| 1 month | 0.18-0.23 pm | 0.12-0.17 pm |
| 3 months | 0.56-0.71 pm | 0.56-0.60 pm |
| 12 months | 2.45-2.65 pm | 2.15-2.25 pm |

## BUSINESS OPINION OF BUDGET

The Financial Times will publish tomorrow the results of a survey of business opinion on the Budget and the economic outlook. The research was undertaken by Marplan and was based on telephone interviews on Wednesday and Thursday with 500 senior directors of large companies selected on a quota basis.

# Murdoch presses Evans to resign

By Ivo Dawnay, Labour Staff

MR HAROLD EVANS was last night resisting pressure from Mr Rupert Murdocb, chairman of Times Newspapers, to resign as editor of The Times.

Mr Murdoch is said to have requested Mr Evans' resignation on the grounds that he no longer commands the loyalty or support of his editorial staff. But last night it emerged that at least one group of senior journalists was compiliog a petition calling on the key national independent directors of the papers to refuse to allow Mr Evans to be sacked.

The struggle for control of the editorship of the newspaper came to light after Mr Murdoch announced that the future of the company had been secured followiog agreements with most print unions on reduced manning levels.

Asked at Heathrow Airport, London, as he departed for New York whether Mr Evans had been dismissed or was about to resign, Mr Murdoch replied: "I cannot make any comment at all. You must ask Harold Evans."

Mr. Evans refused to commeot on his position.

It later emerged that the editorship of the Times has been the subject of a number of discussions between Mr Murdoch, the national independent directors, and the other Times Newspaper Holdings directors.

The national independent directors who were appointed at the time of Mr Murdoch's takeover a year ago, have the power to veto the sacking of an editor aod the choice of bis successor in order to retain the editorial independence of tbe papers.

According to some reports, the then five independent directors unanimously agreed at a meeting on February 25 to accept the resignation of Mr Evans and the appointment of the deputy editor, Mr Charles Douglas-Home to the post. However, they did not agree to Mr Evans resigning against his wishes.

It is also claimed that at a further meeting on Tuesday the directors—joined by the newly appointed Mr John Gross—split over a new appeal from Mr Murdoch to allow Mr Evans to be sacked.

It also emerged yesterday that Mr Douglas Home bad volunteered three weeks ago for redundancy.

A further meting of the independent directors, who include Lords Roll, Robens, Dacre, Greeo and Sir Edward Pickeriog, is expected shortly.

No comment on the current position was available from the

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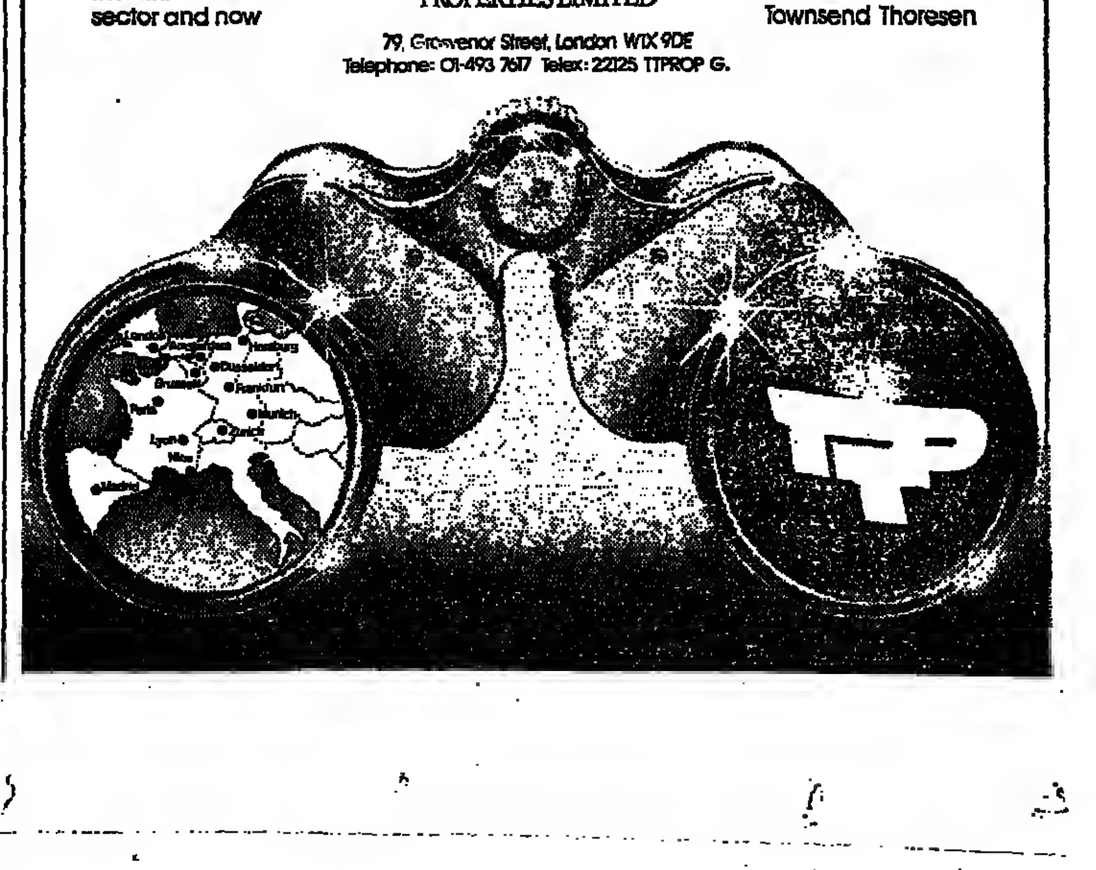

# Schmidt urges Britain to raise sights above EEC budget row

BY JONATHAN CARR IN BONN

With the Western Economic summit and a key Nato meeting approaching fast, West Germany's Chancellor Helmut Schmidt (left) is anxious that EEC unity should not be upset by fresh wrangling by Mrs Margaret Thatcher, the UK Premier (right), over Britain's contribution to the Community budget.

THE West German Government is increasingly worried that the revived dispute over Britain's contribution to the EEC budget may bring about a new Community crisis at a time when growing foreign policy dangers make European unity more urgent than ever.

The UK is seeking an arrangement limiting its future payments which would replace the temporary deal hammered out in May 1980 after prolonged and bitter negotiatinns.

It is understood here that a new effort to gain a compromise on the budget issue will be sought when Chancellor Helmut Schmidt meets the British Prime Minister, Mrs Margaret Thatcher, in England next Friday. The German side is said to be ready to be flexible, so that a solution reducing the UK budget burden could be found which would help carry Mrs Thatcher through her next general election—due within the next two years. But it is also emphasised that this implies some parallel movement from the British, who are being described at high level here, on this issue alone, as "unbelievably stubborn."

It is stressed here that time is very short. The next European Council (summit) meeting is due to be held in Brussels at the end of this month. If West Germany feels that a realistic compromise is not within sight before the meeting, it may simply refuse to deal with the budget issue there—a position which Bonn has good reason to feel the French would support. It is recognised that a crisis would result affecting not just the budget and the closely related issue of agricultural prices, but Community affairs in general.

The West German Government is anxious to stress that the meeting last month between President Francnis Mitterrand and Herr Schmidt has not resulted in the birth—or re-birth—of a "Bonn-Paris axis" aimed against Britain. It is agreed that the meeting brought a new boost to Franco-German ties. It meant that "the personal chemistry" between Herr Schmidt and M Mitterrand is now excellent and that more intensive consultations will in future be held between the two leaders (by phone with enterpreters present since they have no common language). However, it is underlined that Bonn urgently wants still closer co-operation with Britain as well as France, and that—were it not for the budget dispute—the prospects for this would be good.

Boon has been delighted by the stand taken against high and volatile U.S. interest rates taken recently by the UK Chancellor of the Exchequer, Sir Geoffrey Howe—a position matching that of the Germans and French. Bonn is also intrigued by a recent sign that Sir Geoffrey, after all, favours full British membership of the European Monetary System (EMS), though it remains true that the Germans believe that Britain is ready to take the step only when they see it. The British Foreign Secretary, Lord Carrington, is also held by the Bonn Government in the highest esteem.

Despite the debate raging in the U.S. over the harmful domestic impact of high interest rates, Bonn feels it unlikely that firm action bringing markedly and durably lower rates there will be taken before the end of this year. This is because it is felt that President Ronald Reagan will not be ready to act strongly to cut the Federal budget deficit, perhaps by abandoning some of his promised tax cuts, until after the congressional elections.

The Germans thus expect difficult discussions on the key interest rates topic at the economic summit in Versailles, and are anxious to see that the European members present a united front there.

The same applies tn the question of sanctions against the Soviet Union and Poland—which could well come up at both the Versailles meeting and the Nato summit in Bonn. West Germany feels that sanctions are at best "a political signal" of doubtful validity, and believes this stand is broadly shared by France. It is agreed that France initially took a tougher public line on the issue, but it is believed that President Mitterrand was keen to show he was close to the U.S. position in order to help give the Communist members of his Cabinet international respectability. It is believed this has now been broadly achieved, and that a "more balanced" French position on sanctions has emerged. The West Germans have also been encouraged by the relative caution with which the British have approached the issue.

There is yet another reason why the Germans are anxious to see the Europeans forging an ever-closer foreign policy stance. The Bonn Government now claims to have a lot of evidence to suggest that the Soviet leader, Mr Leonid Brezhnev, is finally on his way out—perhaps quite soon. There are differing views of just why Mr Brezhnev may be going and who is likely to replace him.

But it is not excluded that Mr Brezhnev's departure would bring about a temporary period of reassessment and some confusion in Moscow. This would represent a further factor of uncertainty in a situation already made tense by the Polish crisis. The last thing West Germany wants to see in this worrying context is a period of internal European strife and resentment over EEC money.

# Anti-Reagan plans pose dilemma for SPD

By Leslie Colitt in Berlin

TWO LARGE peace demonstrations against President Ronald Reagan, which are being prepared for his visits to Bonn and West Berlin in mid-June, have presented Helmut Schmidt's Social Democrats (SPD) with a serious dilemma.

The West German anti-nuclear movement plans a "powerful demonstration" in West Berlin during Mr Reagan's visit, which U.S. officials suggest will take place on June 11 and will include a speech to Berliners and a visit to the Wall.

The peace movement also intends to hold a mass protest rally against the President when he attends the Nato summit conference in Bonn on June 10. Mr Reagan has been invited to address the Bundestag the same day.

Social Democrat members of the Bundestag are concerned about the impact of those rallies on U.S. public opinion.

"If large demonstrations do take place, this could be regarded in the U.S. as being anti-American," said one. He noted that the demonstration in West Berlin last year, against Mr Alexander Haig, the Secretary of State, was widely seen as such in the U.S.

A party official said the problem was especially serious because of the role of the Social Democrats' youth wing in planning the demonstrations.

"We cannot evict them from the party," he said. "After all, there are also demonstrations against President Reagan in the U.S. This is a very delicate situation for us and we will have to see what the executive committee decides."

The opposition Christian Democrats have called for a rally in Bonn for "peace and freedom" on June 5. This, it says, will be a demonstration "for friendship with the Americans."

U.S. officials said Mr Reagan has accepted the invitation to visit West Berlin to "solidify the American-German relationship" and to demonstrate the U.S. intent to continue, with Britain and France, to protect West Berlin.



# Chancellor faces unexpectedly tough challenge at congress

BY OUR BONN CORRESPONDENT

HERR HELMUT SCHMIDT, the West German Chancellor, faces a still tougher challenge at the forthcoming congress of his Social Democrat Party (SPD) than has so far seemed likely.

The party's left-wing has reaffirmed its nppositinn over the past few days to Nato's nuclear arms plans and shown *its determinatinn for a* head-on collision with Herr Schmidt. It is also clear that there will be strong moves at the April congress both to undercut the Government's atomic power policy and to demand still further costly steps to counter unemployment.

The Chancellor thus will be faced with a *battle* nn several fronts, and it is not clear that he can achieve a victnry nn all of them at once.

The Nato nuclear prohlem has loomed largest so far, above all because Herr Schmidt has made clear that if the party rejects his stand nn what he feels to be a matter crucial to the western alliance then he wnuld step down.

The SPD's national executive committee helped Herr Schmidt by proposing that the congress should nnt vote until late 1983 on Nato's "twin track decision" of 1979. Under that decision, Nato offered the Soviet Union negntiations on intermediate-range nuclear missiles, but said it would deplny similar weapons in Western Europe from the end of 1983 if the negotiations hrought no success.

However, the party's left wing is now intending to bring in a mntion at the congress calling fnr a vote against the arms-deployment part nf the Nato decision. If defeated on this issue, which is likely, the left *plans annther motion* calling for a moratorium on missiles deployment in both East and West during the Geneva negotiations between the U.S. and the Soviet Union. This motion stands a better chance.

The moratorium proposal clearly places part of the onus on Moscow. But it would also mean that the West should give up technical preparations for deploying its nuclear weaponry *in Europe. In the opinion of* the Bonn Government, this would undercut the Western negotiating stance in Geneva.

Further, the congress seems bound to face a motion demanding that no new start on building atomic power stations be made for two years, a position Herr *Schmidt's coalition in* Bonn could not accept.

There will also be intense pressure for gnvernment moves tn curb the jobless total, which is expected to average about 1.7m this year. If Herr Schmidt were to give way to this pressure he would run into even greater problems with his Free-Democrat coalition partner nver how the measures shnuld be financed.

Already, new tax estimates for 1983 indicate that Bonn will have at least DM 7bn (£1.64bn) less revenue than expected. That alone implies new and difficult negotiations in the coalition over how at least part nf this shortfall is to be made up.

# Papandreou urges Cyprus troop withdrawal

BY DAVID TONGE

THE GREEK Prime Minister, Dr Andreas Papandreou, is writing to all EEC heads of government proposing that Greece and Turkey withdraw their forces from Cyprus and that the United Nations peacekeeping force be hullt up frnm its current level of 2.400 men.

His proposal is designed to underline that talks between the Greek and Turkish Cypriots are taking place under the implied threat of up to 19.000 Turkish soldiers on the island. Greece has a 950-strong national contingent on the island, as is its treaty right, and supplies officers to the Greek Cypriot National Guard.

Dr Papandreou, who recently visited Cyprus, is also making it nne nf his priorities tu keep np the pressure for greater international involvement in the dispute.

The Greek side, dissatisfied with progress in the intercommunal talks, is considering calling for an international conference on Cyprus. On April 4, President Spyros Kyprianou of Cyprus is to meet Sr Javier Perez de Cuellar, the UN Secretary General, and is expected to underline Greek Cypriot impatience. Dr Papandreou believes that an international conference on Cyprus need not wait until any collapse of the intercommunal talks.

● Gen Kenan Evren, Turkey's military head of state, *has* called for talks between the Greek and Turkish communities on Cyprus in an effort tn find a peaceful solution tn the island's continued division, according to an interview published in Belgrade yesterday, AP reports.

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WATER CANNON TURNED ON SABENA PAY PROTESTERS

# Riot police attack Belgian march

BY GILES MERRITT IN BRUSSELS

THE BELGIAN Government, using its controversial special executive powers, yesterday brought in measures designed to reduce the national budget deficit by BFr 70bn (£887m) to BFr 252bn (£3.19bn) and eliminate entirely its separate social security shortfall by BFr 42.5bn (£538m).

The measures, approved in the face of trade union protests and sometimes violent demonstrations, are the third set brought in by the new centre - right Government under powers recently granted by Parliament.

These have allowed the Government to push through its austere programme aimed at economic recovery without the need for normal parliamentary debate.

BELGIAN RIOT police yesterday used water cannon and tear gas grenades to break up a demonstration by 5,000 Sabena employees protesting against proposals to cut their pay by up to 24 per cent.

Shock troops of the Gendarmerie Nationale unexpectedly attacked a march involving about half of the national airline's staff. They used brutal tactics normally reserved for routing more unruly political or industrial protesters.

The violent clashes brought the difficulties facing Sabena firmly into the limelight. The confrontation was sparked when the marchers decided, after being told that they could not see Mr Herman DeCroq, the Communications Minister, to march on what is known as "la zone neutre," the collection of government buildings close to the National Assembly.

The roots of the problem lie in a three pronged dispute between Sabena's 9,500 workers, the Sabena management and the Belgian Government.

The new centre-right Christian Democrat-Liberal coalition has singled out the airline as its latest target for stern austerity measures, and is demanding wage cuts of 15-24 per cent.

The government's determination to reduce its financial commitment to Sabena is strengthened by the knowledge that the airline's manning levels set a European record at 425 employees for each of the 23 aircraft in operation. It also pays rates that are alleged to be attractively higher than the average among its competitors.

But, at the same time, state-owned Sabena has already embarked on a series of cost-cutting programmes and is the victim of serious under-capitalisation.

Thanks largely to debt servicing costs now running at BFr 1bn (£12.6m) a year and aircraft depreciation costs of BFrs 1.3bn a year, Sabena's operating loss stands at around BFr 3.5bn, up sharply from the BFrs 1.6bn it lost in 1980 on sales worth BFrs 23.2bn.

The precise details of the airline's 1981 financial performance and outlook are to be examined by the Sabena board when it meets on March 16, but the situation has been transformed into crisis by the demands for wage cuts being made by Mr De Croo.

One of the new Flemish PVV liberal party ministers who is determined to restore discipline to Belgium's runaway state deficit, Mr De Cross is withholding a cash injection of BFrs 1bn that Sabena urgently needs until a wages deal is agreed

The government had callen for wage cuts of 5-12 per cent, but following the rejection of that and a counter-offer of early retirement measures, Mr De Croo is now demanding 15-24 per cent salary and wage reductions.

# Sweden to lower discount rate today

By William Dullforce in Stockholm

SWEDEN'S Riksbank, the central bank, will today lower its discount rate from 11 to 10 per cent. The main motive is to stimulate domestic investments, according to Mr Lars Wohlin, the governor, but the decline in interest levels in the U.S. and some other countries has paved the way for the move.

The Riksbank lowered the discount rate—the rate at which it lends to the pricipal commercial banks—from 12 to 11 per cent last October, but the reduction was regarded by industry as inadequate. Gross investment fell by more than 5 per cent in Sweden last year.

Mr Wohlin says that the recent cuts in oil prices, by dampening inflation and reducing current account deficits, should give scope for interest rate cuts in other industrialised countries.

The balance between Swedish and foreign interest rates is a delicate issue for the Riksbank. In January and February, currency moved out of the country at an average of more than SKr 500m (£47.6m) a week but the outflow tailed off in the first week of March.

The penalty rate of 14 per cent which the banks must pay the Riksbank for borrowings above a fixed amount remains unchanged. This should ease the Riksbank's control of Swedish short-term rates in order to counter fluctuations in the international interest level, Mr Wohlin said.

The highest authorised interest rate for the banks' lending in Swedish Kronor is being lowered from 15 to 14 per cent, but the Riksbank urges the banks to cut the interest they pay on deposits by only 0.5 of a percentage point.

The interest paid on long-term state and housing bonds remains unchanged. This should facilitate government borrowing to cover the large budget deficit, which is about 13 per cent of gross domestic product.

Today's reduction returns the Swedish discount rate to the level prevailing in January, 1981, when a strong flight of currency from the country led to a shock two point increase.

# France to increase state support for microchips

BY DAVID WHITE IN PARIS

THE FRENCH Government is to step up state financial support for research and investment in micro-electronics and has allowed four months to draw up plans for the structure of the components industry.

It aims to increase turnover of the units involved in the state-backed integrated circuits plan from FFr 500m (£46.1m) last year to FFr 4bn in 1986, and to wipe out the country's trade deficit in the components sector.

The Cabinet this week gave clearance to an initial subsidy package of FFr 480m to be channelled through ministries into micro-electronic research this year. The Government also envisages special financial facilities to pump FFr 340m into industrial investment.

The aid plan is intended to lead to total investment of FFr 5.6bn over the five-year period. Of this, FFr 3.4bn is due to go on research and development and the remainder on increasing industrial capacity for integrated circuits, the machines to produce them, and on bubble memories.

Details of restructuring plans are expected to emerge between now and July, when the distribution of state aid by company is due to be fixed. It is generally expected that a central role will be given to Thomson-CSF, the electronics specialist which is now under state control and which has a joint components venture with the Atomic Energy Commission in Grenoble.

At the same time, the nationalised Saint-Gobain group, which has a more recent joint venture with National Semiconductor of the U.S., will be asked to devote itself more to its traditional heavy industrial activities such as glass.

A five-year integrated circuit plan announced by the previous Government in 1978, involving total subsidies of about FFr 800m, was focused on these companies, together with the Philips group's French subsidiary La Radiotechnique and a joint venture between Matra and Harris of the U.S. The latter has since embarked on a further joint project with the U.S. Intel group.

The new plan is expected to lead to a greater concentration in the industry.

The Government's latest programme is designed to strengthen France's research potential in the field and reduce its dependence on imported U.S. know-how.

Apart from extending the use of integrated circuits in industry, the Government wants to encourage demand in sectors such as motors, television, household electricals and toys and games, thus broadening the scope of an industry which has been primarily geared to telecommunications needs.

# Bundesbank short-term funds offer

By Stewart Fleming in Frankfurt

THE BUNDESBANK, West Germany's central bank, has given another signal of its intentions to try to ease interest rates and support the rally on West Germany's capital markets.

Following the lead given to the bond market through the aggressive pricing of the latest government bond issue, the bank has opened up the opportunity for banks to acquire short-term funds at 9.5 per cent. This compares with the current 10 per cent "Special Lombard" rate to the banks for overnight money.

The Bundesbank has told the banks it is willing to provide funds for 10 days in exchange for eligible securities continuously at the 9.5 per cent rate. The only limit is the banks' own availability of qualifying collateral.

The move permits the Bundesbank to judge the reaction of both the domestic money market and the foreign exchange markets to attempts to edge down interest rates without reducing the highly visible "Special Lombard" rate.

# Italian coalition pushes aside head of state energy concern

BY JAMES BUXTON IN ROME

THE ITALIAN Government has decided to appoint a special commissioner as temporary head of ENI, the national energy concern, while a new system of state control comes into effect. This will mean the end of the chairmanship of Sig Alberto Grandi, who last month refused to accept a government request to resign after less than two years of his three-year term.

Sig Gianni de Michelis, the Minister of State Shareholdings, wants to reconstitute the controlling board of ENI by giving each member specific responsibilities for the different sectors in which the company operates, such as oil, gas and chemicals. He asked for the resignation of all five board members, three of whom have concurred. But his main objective was the removal of Sig Grandi, who opposes this system of management.

Sig Grandi . . . refused to resign

Sig de Michelis also wants a Socialist to replace Sig Grandi, who is connected with the Christian Democrats. This has been accepted by both Sig Giovanni Spadolini, the Prime Minister, and Sig Flaminio Piccoli, the Christian Democrat party secretary, in the interests of sharing out the top state industry jobs among the political parties.

The appointment of a commissioner, who has yet to be named, is a device to make the removal of Sig Grandi, a technocrat with little political support, slightly less unpalatable to him. It can also be explained on the grounds that it follows allegations about questionable financial operations under his chairmanship. Not all of these have been directed at him, however.

Nevertheless, the plan has already run into political difficulties. Yesterday, Parliament's budget committee voted that Sig de Michelis must present his full restructuring plan along with the decree appointing a commissioner. As the Government has a clear majority on the committee, the outcome is being attributed by the Socialists to disgruntled Christian Democrats using the secret ballot to vote against the government line. Some Christian Democrats, including Sig Nino Andreatta, the Finance Minister, have publicly questioned the Government's policy on ENI.

Sig de Michelis does not appear to have been deflected by the parliamentary defeat from going ahead with the decree appointing a commissioner. It will increase tension, however, between the Christian Democrats and Socialists in the five-party coalition Government.

# Wage adjustment scheme agreed

BY OUR PARIS STAFF

A PILOT project for a new method of wage adjustment in France is due to begin in the second half of this year under a compromise signed by five of the seven civil service unions.

After a long and tough series of negotiations, M Anicet Le Pors, the Communist Civil Service Minister, won acceptance for a transitional wage package for the current year.

This involves starting in the autumn the system which the Government originally proposed for the whole year. Regular rises will be geared to the target inflation rates rather than historic inflation rates.

The system is the brainchild of M Jacques Delors, the Socialist Finance Minister, and is aimed at reducing built-in wage inflation.

M Jacques Delors: his brainchild

The civil service branches of the two largest French trade union bodies, the CGT and the CFDT, refused to sign the agreement, however. Under French labour practice, this does not stop it being put into effect, but promises more friction. The CFDT has announced plans for an action week in public hospitals, where it is strongly represented, and protests in local authority offices.

In the place of the original step-by-step rise proposed by the Government—totalling 10.5 per cent with provisions for catch-up increases if inflation exceeded this level—civil servants are to continue with their previous system until July, with quarterly increases based on the official price index.

For the rest of the year, the increases have already been set—2.5 per cent in September and 2.4 per cent in December, in line with government price targets. These rises are liable to be revised later if this results in a loss of purchasing power.

M Le Pors said yesterday that the Government had set aside FFr 1.14 bn (£104m) for applying the "Delors system" in the second half of the year. The pay package includes special improvements for 300,000 civil servants at the bottom of the salary scale.

The Communist-led CGT attacked the agreement, saying it failed to guarantee the maintenance of living standards or to do enough for the lower paid.

The Communist party, meanwhile, has shown certain reservations about President Francois Mitterrand's decision on Wednesday to keep a strict control on budget expenditure. M Andre Lajoinie, the Communist leader in the National Assembly, said the budget deficit could not be allowed to get out of hand but that this should not mean a pause in actual spending.

# Baghdad expects another year of war

By Roger Matthews in Baghdad

IRAQ is planning its economy on the assumption that its war with Iran will continue for at least another year, according to a senior member of the ruling Revolutionary Command Council.

In an interview here Mr Taha Yassin Ramadhan, the First Deputy Prime Minister, said that he could see no signs of flexibility on the part of Iran, despite all the mediation attempts made over the past year.

Mr Ramadhan's view casts considerable doubt on the optimism expressed at the weekend by President Sekou Toure of Guinea, head of the five-man peace mission of the Islamic Conference Organisation.

Following a visit here Mr Toure reported "a serious and positive response" to unspecified proposals which amounted to "a big stride towards peace."

Mr Ramadhan, who is responsible for economic policy, claimed that there would be no change in the rate of investment but that "remedial action is being taken to reorganise our priorities." Emphasis was now being put on strategic projects and on bringing down the rate of inflation.

The Deputy Prime Minister added that there was no relationship between the extent of the loans Iraq was receiving from the rest of the Arab world and its pace of development. "The Iraqi economy does not need loans," he declared.

On the war, Mr Ramadhan stated that Iraq did not want it to continue, but was not worried about its ability to go on fighting. "We will withdraw our troops the same day that Iran recognises our rights. This we will do despite all that has happened, despite the execution by Iran of our prisoners of war," he said.

"We stand by our peace offers but there is no possibility of Iraq withdrawing before there is a full agreement. The phasing of that withdrawal could be the subject of negotiations," he added.

Asked about Britain's decision to supply spare parts for Chieftain tanks captured from Iran, Mr Ramadhan predicted that in the coming year relations with the UK would improve further.

## Syrian forces closer to Israel

SYRIA HAS moved troops closer to Israel's border with Lebanon, David Lennon reports from Tel Aviv. An army spokesman confirmed that there is a "Syrian presence" at Beaufort Castle, a crusader fortress overlooking northern Israel.

This point is far south of the "red line" agreed in 1976 between Jerusalem and Damascus for the stationing of Syrian peacekeeping forces.

Israel is unlikely quietly to accept this advance, despite pleas from Washington against any Israeli attack into southern Lebanon.

## Egypt to attend Kuwait meeting

EGYPT IS to send a delegation to next month's Non-Aligned Foreign Ministers' meeting in Kuwait, officials said yesterday, AP reports from Cairo. The visit will be the first time Egypt is received in an Arab nation since the 1979 signing of the peace treaty with Israel.

# Zimbabwe police arrest Nkomo military men

BY OUR SALISBURY CORRESPONDENT

THE TWO top military commanders of Mr Joshua Nkomo's guerrilla army, Lt Gen Lookout Masuku, deputy commander of the Zimbabwe National Army, and Mr Dumiso Dabengwa, Mr Nkomo's Home Defence Secretary and security chief, were arrested yesterday by special branch police.

Their detention is the most dramatic move by the Government of Prime Minister Robert Mugabe since he dismissed Mr Nkomo from his coalition Cabinet following the discovery of arms caches on farms near Bulawayo last month.

At least one other member of Mr Nkomo's Patriotic Front (Zapu) party, a former commander in the party's military arm, Zipra, was also held in yesterday's swoop.

Mr Nkomo

Three other Zapu Ministers left the Government, although the coalition with Mr Robert Mugabe's Zanu (PF) still exists in theory. Mr Mugabe has promised to prosecute his former ally in the Zimbabwe guerrilla war, because of the arms caches.

The arrest of the two top former Zipra military men is bound to raise fears of tension in the 55,000-man Zimbabwe national army, of which about 40 per cent is made up of former Zapu guerrillas.

Gen Masuku was appointed to the post of deputy commander of the army by Mr Mugabe in August last year, while Mr Dabengwa, regarded by many as heir apparent to Mr Nkomo, was Zapu's chief military representative at the Lancaster House talks which led to the Zimbabwe settlement.

He retired for "personal reasons" last July, having been a key military adviser to Mr Nkomo since the settlement.

Mr Dabengwa said recently that trust had broken down between the two former guerilla armies and that the Zipra men had hidden the arms for their own protection and not because they planned a military coup.

In the trial of four whites in Bulawayo this week the State is accusing the whites, who were detained late last year, of plotting with South African agents and others to establish a secessionist state of Matabeleland in western Zimbabwe, from where Mr Nkomo's Zapu draws the vast bulk of its support.

Mr Nkomo could not be contacted for comment on the arrests.

● A spokesman for Zimbabwe's bus companies said that nearly 1,000 striking bus drivers arrested yesterday by police for an illegal pay strike had been dismissed with the agreement of the Minister of Labour, Mr Kumbirai Kangai.

Bus services in the country's four cities are at a virtual standstill.

# Australian unemployment shows sharp jump

BY OUR CANBERRA CORRESPONDENT

AUSTRALIA'S unemployment level rose sharply in February to 7 per cent. The number of people out of work at 404,500 is the highest since World War II.

The statistics, released yesterday by the Government Statistician are the latest in a series of unfavourable economic indicators which will further damage the Government's chances in tomorrow's by-election and the Victorian State election in three weeks.

Although the summer months are traditionally a bad time for unemployment in Australia, yesterday's figures were not swollen by school leavers. Teenage unemployment fell during February, whereas overall unemployment rose by 0.6 percentage points in one month.

Mr John Moore, the acting Employment and Youth Affairs Minister blamed significant wage increases over recent months, industrial disruption and the large number of big wage claims currently in prospect for the rise in jobless.

The February balance of payments figures, also released yesterday, contained better news for the Government. A small surplus of A$40m (£23.4m) left the cumulative deficit for the first eight months of the year largely unchanged at A$1.7bn.

# Rise in aid to Thailand

BANGKOK — U.S. economic and military aid to Thailand will increase by 25 per cent in the current fiscal year and will include grant military funds of $4.5m (£2.5m) for the first time in several years, the U.S. embassy announced here.

The embassy said $62.5m would be provided in guaranteed loans for military purchases, compared with $53.4m in 1981. Economic assistance, comprising loans and grants, would increase from $24.1m to $27.6m, the highest figure since 1973.

Thailand spends about $200m per year on arms, including direct purchases and on credit, principally from the U.S.

AP-DJ

# New move for peace initiative in El Salvador

By Hugh O'Shaughnessy

THE European Parliament, meeting in Strasbourg yesterday amid reports of an impending coup d'etat in El Salvador, gave fresh support for the peace initiative unveiled by President Jose Lopez Portillo of Mexico in Managua last month.

The Parliament urged the Foreign Ministers of the Ten to work with the U.S. to achieve a negotiated settlement to the war in the Central American republic.

It criticised the present U.S. policy of supporting the junta headed by President José Napoleon Duarte, and charged that the poll to be held in El Salvador on March 28 "cannot be regarded as free elections, as no political liberties have been guaranteed, and opposition politicians have to face the possibility of assassination."

The Strasbourg resolution called for a continuation of humanitarian aid to El Salvador which has so far totalled $10.2m.

In Geneva, the UN Human Rights Commission, by 25 votes to 3, called on the Salvadorian Government to find a political solution to the war "in an atmosphere free of intimidation and terror." The resolution was opposed by the U.S. delegate, Mr Michael Novak.

In San Salvador, Gen Guillermo Garcia, Defence Minister, who is regarded by many as the effective head of government in El Salvador, derided persistent suggestions of an impending coup.

He dismissed as "nonsense" an insurgent report that conspirators, headed by President Duarte, were planning to assassinate him and the extreme right-wing leader Major Roberto d'Aubuisson.

Despite the denials, reports continued to circulate that moderate officers in the armed forces are planning to seize power before March 28 and start talks with the insurgents.

In an interview in Mexico City, Col Adolfo Majano, a former member of the junta which took power in 1979, and who is now in exile, said he had heard such reports. But he added that many moderates in the ranks of the armed forces had been removed from positions of influence and sent abroad.

# Guevara named winner in Guatemala poll

By Our Latin American Correspondent

GENERAL Angel Anibal Guevara, a former Defence Minister and candidate of the present president, General Romeo Lucas, was declared winner of Sunday's presidential election in Guatemala with 35 per cent of the votes cast.

Just over 1m votes were cast out of a possible 2.3m. The runner-up was the right-wing extremist Sr Mario Sandoval Alarcón, with some 250,000 votes.

As neither candidate won a plurality, both men will seek ratification by the congress. It is a foregone assumption that General Guevara will be ratified, possibly this weekend.

# Nuclear disarmament lobby grows

BY REGINALD DALE, U.S. EDITOR IN WASHINGTON

THE TABLING in Congress this week of a bipartisan resolution calling on the two superpowers to agree to a nuclear weapons freeze, followed by major reductions on both sides, has added further momentum to the spreading nuclear disarmament movement in the U.S.

The resolution, which has already been strongly opposed by Mr Alexander Haig, the State Secretary, was backed by 17 Senators and 115 members of the 435-strong House of Representatives.

The Reagan Administration is firmly committed to building up U.S. strategic nuclear forces, so as to be able to negotiate with the Soviet Union "from a position of strength."

While there is little or no support in the country for unilateral U.S. nuclear disarmament, a growing number of so-called "freeze resolutions" are being adopted at grass-roots level—often in strongly Republican areas.

The movement has flourished particularly strongly in Vermont. But freeze resolutions have also been passed in the state legislatures of Connecticut, Massachusetts, Oregon, Wisconsin, Oregon, and New York. In New Hampshire this week, 21 out of 25 town meetings endorsed a freeze.

According to one estimate, more than 1m people have signed freeze petitions, and local referendums in parts of Massachusetts and Colorado have approved a freeze. Referendums are planned in California, Michigan, New Jersey and Delaware.

The congressional resolution says that as an immediate strategic arms control objective, the U.S. and the Soviet Union should "pursue a complete halt to the nuclear arms race."

They should decide "when and how to achieve a mutual and verifiable freeze on the testing production and further deployment of nuclear warheads and other delivery systems."

Mr Haig said that a freeze would have the effect of maintaining Soviet advantage in nuclear weapons in Europe that might be as high as 6-1. The Soviet Union has already offered to freeze intermediate range nuclear missiles in Europe — an offer that the U.S. has rejected on these grounds.

The Secretary of State added that a freeze would not only be bad defence and security policy, but bad arms control policy as well.

A freeze, Mr Haig went on would take away any inducement for the Soviet Union to reduce its level of arms. But Congressman Jonathan Bingham, one of the resolution's sponsors, asked: "Will the Russians stand still while we build the MX missile, the B-1 bomber and the Trident submarine?"

# Large changes urged in Reagan budget

BY ANATOLE KALETSKY IN WASHINGTON

A LARGE majority of the U.S. public believes that Congress should make "substantial changes" in President Ronald Reagan's 1983 Budget, and support for the President's military spending and tax proposals has fallen off dramatically in the past month, according to an opinion poll issued by the Washington Post and ABC News yesterday.

The poll, which also indicated that the public is more pessimistic about the economic outlook than at any time since President Reagan's election in November 1980, supports the growing impression that the Budget presented to Congress last month is becoming a dead letter.

Earlier this week, Mr David Stockman, President Reagan's Budget Director, told a Congressional committee that the White House would look sympathetically on any proposals to suspend cost-of-living increases in social security pensions which could attract bi-partisan approval.

He also said that a tax on oil imports might be considered as a way of raising additional revenues. Over the weekend, Mr Donald Regan, the Treasury Secretary, suggested that indexation of tax brackets from fiscal 1985 onwards—a device supposed to prevent President Reagan's tax cuts from being whittled away by inflation—might be expendable.

A compromise between Congress and the White House may be very much harder to achieve than some Republican Senators suggested after a lunch with President Reagan on Tuesday, in which he made much more conciliatory noises than in earlier speeches.

Deep cuts in non-military spending remain the key to the President's approval of any Congressional alternative to the 1983 budget.

The President and his senior advisers, such as Mr Donald Regan and Mr Stockman, have repeatedly emphasised that they would not accept any increases in revenues which Congress might prefer if there were indications that these would be used to support public spending rather than reduce deficits.

# Mexico tries to arrange $130m loan for Nicaragua

BY WILLIAM CHISLETT IN MEXICO CITY

MEXICO is trying to put together the first commercial loan to the left-wing Central American republic of Nicaragua since the Sandinistas overthrew the Somoza régime in 1979.

Mexico is understood to be guaranteeing the $130m (£72m) loan through its foreign trade bank, Banco de Comercio Exterior, which will act as the agent.

The loan is for seven years with five years' grace and seven-eighths over Libor—London Inter-Bank Offered Rate—or three quarters over U.S. prime rate.

The idea is to syndicate the loan among 13-18 international banks, according to foreign bankers who have been approached by Mexico.

The controversial loan could come under criticism from the Reagan Administration, which cut off official aid to the Nicaraguan Government last year after accusing the Sandinistas of funnelling arms to the rebels in El Salvador.

Mexico is a staunch ally of Nicaragua.

Nicaragua is wrestling with serious economic problems and is finding it difficult to meet its financing needs other than through a limited amount of soft loans from multi-lateral institutions and friendly governments.

The country has successfully renegotiated $762m of debt to its international bank creditors and wants to return to the commercial loan market.

**Anatole Kaletsky writes from Washington:** More reports about alleged CIA covert action against the Government in Nicaragua were published yesterday.

After the Washington Post's allegation on Wednesday that President Ronald Reagan had recently authorised a $19m CIA plan to train 500 commandos to attack Nicaraguan targets from across the Honduran border, the New York Times claimed yesterday that senior Administration officials were saying the CIA's plan only involved financial support for civilian, moderate opposition groups within Nicaragua.

They added, however, that paramilitary units are being trained in Venezuela and Argentina, and would be infiltrated into Nicaragua for attacks on military installations and civilian targets such as bridges and power stations.

These units are not being supported financially by the U.S. Government, the officials are quoted as saying.

# Surinam moves to Right

SURINAM appeared to have moved to the Right yesterday when an army coup deposed the Government of Major Daysi Bouterse, who is reported to be under arrest.

The new Government is led by a group of military and police officers who have said that they will return control of the country to civilian hands tomorrow, with a view to free elections within six months.

Major Bouterse, at the time a corporal, seized power in 1980 toppling Mr Henk Arran, the Prime Minister, who had led the country to independence from the Dutch; Major Bouterse installed Mr Henk Chin-A-Sen as president, but ousted him last month.

# Effects of violence main variable in Colombian elections

BY SARITA KENDALL IN BOGOTA

SANDWICHED BETWEEN the Guatemalan presidential election and the vote for a constitutional assembly in El Salvador, Colombia's congressional and local government elections this Sunday might seem to provide a brief glimpse of a genuinely functioning democracy. But here, too, voting is overshadowed by violence and threats of sabotage from guerrilla groups.

The last few weeks have brought bombs, assassinations, armed attacks, riots and the gunning down of a lawyer known for his defence of guerrilla suspects and political prisoners.

By comparison, accusations of government partiality and vote trafficking provide light relief, especially when one of the candidates displays a notice saying "we don't buy votes" outside his regional party headquarters.

The two establishment parties, Conservative and Liberal, have a firm hold on political power and the electoral machinery. Although the battle for the presidency will not be fought until May, this first round of voting allows forces to be measured: a former president, Sr Alfonso Lopez Michelsen, the official Liberal candidate, is being challenged by Sr Luis Carlos Galan, a popular young Liberal Senator who attracts big crowds to the plazas and who has some important backers in the upper ranks of the party.

If both men proceed with their candidacies, the Conservative runner, Sr Belisario Betancur — ironically, as liberal as any Colombian Liberal, but supported by a party with a powerful right — could benefit from the split vote and become the first Conservative president for eight years. The Left, which has consistently taken less than 5 per cent of the vote, does not seem likely to do much better this time.

The person who might have upset the electoral applecart will not figure on the lists, even though his picture — taken in the jungles of south-eastern Colombia — has been in the newspapers this week. Sr Jaime Bateman Cayon, leader of the April 19th (M-19) guerrilla movement, has promised a tough sabotage campaign in response to President Julio Cesar Turbay's tepid offer of an amnesty, even at the cost of alienating some democratic sympathisers.

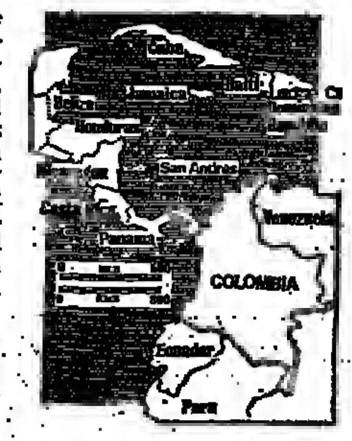
Although Colombia's armed forces have been fighting left-wing guerrilla groups for more than 20 years, M-19 has proved a troublesome adversary. Spectacular actions, such as the capture of ambassadorial hostages in Bogota's Dominican embassy, and a broader "nationalist" political appeal have generated a sneaking admiration for M-19 and Jaime Bateman among many Colombians.

Guerrilla threats, combined with an unequivocal anti-Communism have encouraged the Colombian Government to take a more active interest in Caribbean politics. When President Ronald Reagan announced his aid plan for Caribbean countries, Colombian business groups expressed concern about the effects on exports to the U.S. In the end, though, the Government declared that the anti-subversion cause was worth the sacrifice and that talks on the export problem would be held separately.

Colombia not only has a border dispute with Nicaragua over several Caribbean islands north of San Andrés Island, but the Government claims Cuba has given support to M-19. As a result, diplomatic relations with Havana were broken last year. Although negotiations to allow a U.S. military base on San Andrés have been denied, the Minister of Defence said recently that Colombia would co-operate to defend the Americas. A fleet of 12 U.S. helicopters is being bought by the Colombian air force, and other arms purchases are reported to be in the pipe-line.

The U.S. and Colombia are also co-operating closely on drug trafficking, and the marijuana bonanza on the northern coasts is over. Apart from some effective military and police work, the Californian crop is proving too strong a competitor. However, both marijuana and coca plantations are multiplying across the eastern plains and jungles of Colombia, with cocaine laboratories tucked in among the trees, and Colombian trafficking gangs have been causing panic in Miami and New York, as well as Bogota.

Further consternation has been caused by the mysterious "Mafia action group" which put out a communiqué last year announcing a "death to kidnappers" campaign. The group has already claimed responsibility for a number of actions, including killings and police hand-overs, mostly with political links. Union leaders have been threatened, and a bomb was recently planted at the house of Srta Maria Jimena Duzan, a journalist who is publishing a series of articles after being kidnapped by M-19 and talking with Jaime Bateman. According to Srta Duzan, Bateman said that the new group was not a Mafia organisation but a paramilitary unit led by an army colonel.

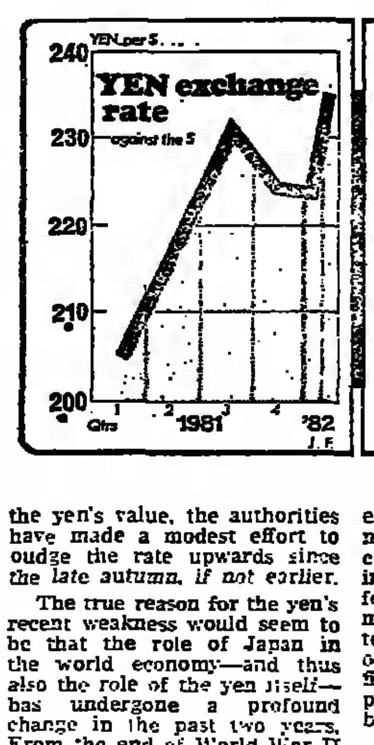


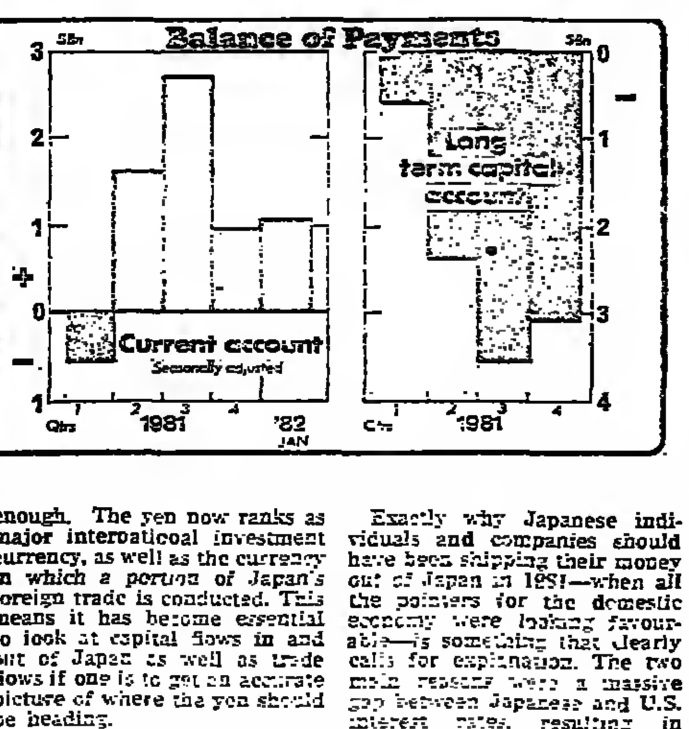

**Left-wing guerrillas who have vowed to disrupt elections for a new Colombian congress said yesterday that they had carried out a car-bombing at the Presidential Palace in Bogota, in which several people were hurt, Reuter reports. Troops threw a tight guard around public buildings in the capital and police said about 500 people had been detained for questioning. The bomb exploded 15 minutes before President Julio Cesar Turbay Ayala returned to the Palace from a conference. A man claiming to represent the M19 guerrilla movement said the organisation was responsible. M-19 said it would try to sabotage this Sunday's elections because the Government has refused its demand for an amnesty for captured supporters. The army recently rounded up 20 M-19 leaders in Bogota.**

**Charles Smith**, in Tokyo, analyses the reasons behind the recent sharp falls in the Japanese currency

# Declining yen a product of Japan's changing role

IN THE FIRST three months of 1981, Japan's current account deficit with the outside world was running at an annual, seasonally adjusted rate of $2.1bn and the yen was worth 205 to the dollar. Six months later, in the third quarter of the same year, the deficit had been transformed into a surplus of $11bn and the yen had plunged to 231.80 to the dollar.




These topsy turvy statistics go a long way to explaining why the U.S. and Europe have been demanding more and more emphatically in the past few months that Japan should stop "deliberately" undervaluing the yen in order to boost its exports.

The notion that Japan doctors its exchange rate in order to bolster its position in world trade dates back to the late 1960s, when Tokyo's Ministry of Finance clung stubbornly to an outdated fixed exchange rate of Y360 to the dollar long after Japan had shifted from a position of acute deficit to one of regular surplus in its trade with the industrial West.

This does not necessarily mean that the theory holds water today.

The Bank of Japan has been selling dollars on the Tokyo foreign exchange market at volumes of between $430m and $500m per month since last autumn, judging by officially published statistics on movements of the foreign exchange reserves for the months of November, December and January. This would seem to indicate that, far from deliberately trying to depress the yen's value, the authorities have made a modest effort to nudge the rate upwards since *the late autumn, if not earlier.*

The true reason for the yen's recent weakness would seem to be that the role of Japan in the world economy—and thus also the role of the yen itself—has undergone a profound change in the past two years. From the end of World War II *until the second (1979) oil* crisis, Japan's external economic performance was assessed by outsiders on the basis of how its exports and imports were faring as well as on the balance of services and transfers (in which Japan habitually runs a large deficit).

Since the beginning of 1980, looking at the current account balance alone has ceased to be enough. The yen now ranks as major international investment currency, as well as the currency *in which a portion of Japan's* foreign trade is conducted. This means it has become essential to look at capital flows in and out of Japan as well as trade flows if one is to get an accurate picture of where the yen should be heading.

A glance at the published statistics for long-term capital flows shows that the account was in surplus during eight out of 12 months in 1980 (when the Opec countries were for the first time discovering the attractions of yen-denominated assets) and in deficit for six months of 1981, when Japanese private individuals were indulging in their first big post-war overseas investment "binge."

Exactly why Japanese individuals and companies should have been shipping their money out of Japan in 1981—when all the pointers for the domestic economy were looking favourable—is something that clearly calls for explanation. The two main reasons were a massive gap between Japanese and U.S. interest rates, resulting in much higher returns for investors on dollar-denominated assets, and the revision of legislation which had previously placed tight controls on foreign exchange movements in and out of the country.

Under the new legislation, Japanese residents are free to hold savings in any currency of their choice instead of being largely restricted to yen as had been the case up to December 1980. The sheer size of Japan's annual savings—estimated at some 25 per cent of gross national product, or $260bn per year—indicates the immense potential for capital flows out of the country.

Japanese bankers believe that a certain amount of the 1981 *outflow of* private savings could have represented "once for all" response to the lifting of exchange controls at the end of 1980. They also believe that the Ministry of Finance may actually have helped to increase the pace of the outflow by tacitly encouraging certain *forms of yen lending (such* as the issue of yen-denominated bonds by foreign governments) last September and October, when Japan's current account was chalking up what appeared to be alarmingly increasing surplus.

The Finance Ministry can be expected to correct its "faulty" guidance on yen bond issues and on overseas yen-denominated lending by Japanese banks at the start of the new fiscal year, on April 1. Once that has happened, and once Japanese investors have got over the initial thrill of being able to acquire dollar-denominated assets in unlimited quantities, Japan's capital exports could slow down and the negative pull on the yen exchange rate might be expected to grow weaker.

Officials at the Ministry and at the Bank of Japan are probably right to claim, however, that U.S. interest rates remain part of the equation.

The question of precisely where the yen exchange rate ought to be today is one on which Japanese Government officials carefully refrain from committing themselves, although there is an impression that the Government might not be too unhappy with a rate somewhere between Y200 and Y210 to the dollar. Some private analysts, however, have suggested that whatever the "true" value of the yen, both Japan and its western trading partners could be better off for the time being with an over-valued exchange rate.

A *dear yen, it is* argued, could help to combat the chronic underpricing of Japanese goods in foreign markets, by "squeezing out" marginal exporters. It would certainly help to improve the country's terms of trade, which have deteriorated sharply since before *the second oil crisis,* and it could help the hard-pressed raw material importing and processing industries, whose recent heavy losses represent the dark side of Japan's otherwise brilliant economic performance.

Making all this happen will not be easy—particularly while U.S. interest rates remain at their present levels. But at least it is beginning to look as it almost everyone in Japan who has a professional interest in where the foreign exchange market is likely to go next, shares the western view that a dearer yen might be an excellent idea.

Yen facilities sought, Page 5

# Plan to pipe Iranian oil and gas to Europe revived

BY METIN MUNIR IN ANKARA

TURKEY and Iran have revived a 15-year-old plan to pipe Iranian oil and gas to Europe.

The two have signed a memorandum of understanding to carry out a feasibility study on pipelines running from Iran to the Turkish coast.

Mr Turgut Ozal, the Turkish Deputy Prime Minister, has suggested that the natural gas pipeline could be extended to Europe, competing with Soviet projects to provide Western Europe with gas.

Turkish officials quote Mr Ozal as saying in private that Iran also favours such an idea.

Mr Ozal has just completed a visit to Tehran, where Turkey and Iran signed an economic, industrial and technical co-operation agreement as well as an oil supply contract.

Iran has also agreed to supply Turkey with between 3m and 3m tons of crude—between 60,000 barrels and 100,000 barrels a day at under $30 a barrel—in the year ending March 1983.

Turkey's targeted oil import needs for the current year is 15.3m tonnes of which 2.3m are produced at home.

Turkey has a $400m (£222m) overdraft limit and a $300m confirmation line for oil imports from Iran.

Payment is made through the export of Turkish goods. Turkey is hoping to raise its exports to Iran to $960m this year from $233m last year, clearing both a crude oil debt of $250m and paying for crude imports in the next 12 months which are expected to cost $615m.

An official said that during Mr Ozal's visit — on which he was accompanied by a large group of Turkish businessmen —contracts were signed for the export of $680m worth of goods both with private and public sector companies.

Turkish officials do not yet know whether the feasibility study will be carried out by a joint group of experts from Turkey and Iran or by foreign companies selected in internationally competitive bidding.

They also do not know from which of Iran's gas and crude oilfields the pipelines will be fed or what the venue or terminals would be.

**David Tonge adds:** The Export Credits Guarantee Department in London has turned down requests for a resumption of full export credit cover on UK sales to Turkey. The request came in talks this week from Herr Rolf Geberth, president of the OECD's consortium for Turkey. Cover is limited to deals made against confirmed irrevocable letters of credit.

# Stocks of champagne reach 'danger mark'

BY DAVID WHITE IN PARIS

THE AMOUNT of champagne released on to the international market last year dropped for the third year running and is expected to be cut further this year as stocks reach what the trade considers to be a "danger mark."

Figures from the Interprofessional Champagne Wine Committee show that 159m bottles were marketed last year, almost 10 per cent below the previous year's total of 176m.

This compares with 186m bottles sold in 1978, ending a 30-year period during which the champagne market multiplied fivefold.

Pressure on supplies, and on prices, has been caused by three poor harvests in the Champagne region in the space of four years.

After a particularly small harvest in 1978, the trade has been looking in vain for another bumper year like 1979.

The decline in sales volume has been felt most of all in the domestic French market, which accounts for two-thirds of the total, much more than on the export market, experts say.

Stocks, which in mid-1978 totalled some 575m bottles, were down to 442m just before the last harvest.

# Success won from a Portakabin on a little mud road

BY NICK GARNETT, NORTHERN CORRESPONDENT

THE PLACE doesn't look too promising. A little mud road winds past a brick-built engineering shop to a Portakabin.

This is the office of Elco Power Plant, a tiny company employing 13 people in a largely residential area of Bradford, West Yorkshire.

Elco has just won the 1981-82 British Overseas Trade Board's Export Award for Smaller Manufacturers. It has done so because of its performance in exporting generating sets.

After only four years, equipment made by the company's seven shop-floor workers is generating electricity in more than 20 countries, including areas of West Africa, the Middle East and the West Indies.

In the 12 months to the middle of last year exports accounted for £940,000 out of total sales of £1.1m, a new threefold leap for both over the previous year.

This performance was followed by the securing of a £16.1m order from Nigeria for 300 generating sets and 600 water pumps. As a result of this, the company has bought a factory at Tadcaster, near York, to complement the Bradford operation and expects to take on a further 50 staff.

Apart from the disproportionate size of the company's exporting drive to its manufacturing base—and the fact that the company was set up by two men, one ex-public school and an engineer, the other an ex-miner from Yorkshire — the point that hits home most is the company's emphasis on selling.

Mr Bernard Longstaffe, the 41-year-old managing director, who was a miner for 10 years, says the company has no particular technological advantage over competitors. Generating set manufacture utilises relatively low technology—Elco uses diesel engines and alternators from three companies to complete its sets.

Elco also says it possesses no special cost advantage. It has lower overheads than most of the 180 UK companies which make generating sets, but because it buys engines in small batches it has to pay more for them.

But this is offset by rapid flexibility in decision making—Mr Longstaffe has also been the sole salesman. The company made a £10,000 loss in the year before last, largely because Mr Longstaffe says, of expenses incurred in trying to secure the Nigerian deal.

The emphasis on selling has induced the company to expand abroad. It is trying to secure a one-fifth share in a Nigerian generating set assembly plant and a 40 per cent stake in a repair shop in Saudi Arabia.

One element of selling is presentation. "The important thing is face-to-face confrontation. Talk to your man on his own ground," says Mr Longstaffe. This is coupled with some professional product catalogues and "little but often" advertising.

"We go over there with our best suit on, good literature and give them the impression we can do anything." Trade fairs have been out until now because the company says it could not afford them.


❛ We go over there with our best suit on, good literature and give them the impression we can do anything. The stuff has to be rugged, reliable and simple so poorly trained technicians can maintain it. You can't just set up the equipment and then abandon the purchaser. We have a reputation to maintain ❜—Elco's managing director.

Another element is giving the customer what he wants. Most of Elco's sales are to developing countries, often to rural communities. "The stuff has to be rugged, reliable and simple so poorly trained technicians can maintain it," Mr Longstaffe says.

This is linked to a back-up service which has put great strain on the small company. "You can't just set up the equipment and then abandon the purchaser. We have a reputation to maintain."

Mr Richard Forsyth, the engineer in the partnership, had 24 hours' notice last week to fly to Nigeria to repair a generator which the purchaser had connected up incorrectly.

The company believes it clinched the big Nigerian water extraction order partly because it offered something special—the setting up of a training workshop.

The final element in Elco's selling approach is speed of delivery and flexibility on specification. Elco says it designed and built 25 generating sets, worth £58,000 in less than four weeks as a back-up power system for the Pope's visit to Ireland. It also bought in wheels and brakes and built the chassis for trailers to carry generating equipment ordered by the Egyptian army.

The company's new catalogue is geared to presenting a concept—that Elco will build a complete electricity generating and water extraction system and assist in obtaining finance for the purchasing country or state.

"The prime function in this company is selling," says Mr Longstaffe. "You can build the best generator in the world, but if there's no one to sell it properly it's simply no use."

## EXPORT FINANCE

# Yen facilities sought for UK

BY PAUL CHEESERIGHT, WORLD TRADE EDITOR

THE EXPORT Credits Guarantee Department is to seek from Japanese banks an open-ended source of yen financing for use by British exporters.

An official will visit Tokyo next week for talks with banks and the Ministry of Finance, whose approval is necessary before the conclusion of any arrangement.

There has been a consistent flow of enquiries from British exporters to the ECGD about the possibility of yen financing since last November. It was then that the special position given to Japan in the international arrangement on export credits drew attention to the low level of Japanese interest rates.

The long-term prime lending rate in Japan is 8.6 per cent. The minimum UK interest rate for export credits, in line with international agreements, is 10.25 per cent.

But the extent of the demand for yen financing remains uncertain. This is prompting ECGD to explore the establishment of an open-ended facility which can be drawn down as necessary.

It is not expected, however, that the yen will be the financing medium for more than a small proportion of British exports. Most are financed in the dollar or sterling.

The object of the present discussions is to provide extra flexibility for exporters in a low interest rate currency. The Export-Import Bank of the U.S. has also considered this idea, but has not yet decided on the best technical approach.

The attitude of the Ministry of Finance to the ECGD scheme is crucial. But Mr Peter Rees, the Minister for Trade, told the Confederation of British Industry last November that the Japanese Government had given assurances that there would be no obstacles placed in the way of British exporters and banks borrowing in the Japanese capital market.

● The $1.2bn line of credit provided for the Bank of China by British banks to finance UK exports to China is being rolled over for a further year. So far, only $354m of the credit has been used, although another $144m has been allocated.

In order to encourage further use of the credit, which is covered by ECGD, the minimum contract value to qualify for use under the facility has been halved to $50,000.

● The Lloyds Bank group is providing two general purpose lines of credit to the State Bank of India for the financing of UK capital goods purchases. This is the first general purpose line of credit to India backed by ECGD.

The first line is for £7.5m and the second is for $7.5m. To qualify for the facility, contracts need a minimum value of £20,000 or $50,000.

● Standard Chartered Merchant Bank has loaned £1m to Metal Box India to enable British suppliers to receive cash payment for goods supplied to Metal Box India under its expansion plan. The line of credit is covered by ECCD.

# Longer-range version of A-310 possible

By Michael Donne, Aerospace Correspondent

AIRBUS INDUSTRIE, the European airliner manufacturing group in which British Aerospace has a 20 per cent stake, is considering a longer-range development of its A-310 200-seat Airbus, called the A-310-300.

The current medium-range version of the A-310, being built at Toulouse, the A-310-200 has a range of about 5,930 km. The first A-310 is due to fly soon.

But Airbus Industrie is now thinking of offering customers a different version of the A-310, with greater take-off weight, and an increased fuel capacity, to give a range of 7,135 km.

This would enable the aircraft to carry up to 218 passengers for flights of up to 8½ hours, whilst offering savings of up to 25 per cent per seat in fuel consumption compared with the long-range three-engined (DC-10) and four-engined (747) wide-bodied jets now on the market.

A decision to launch this version of the A-310 will depend upon commitments from customers.



## UK NEWS

# Ford dealer offers 21% discount on Cortinas

BY KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT

A FORD DEALER in Bradford, Ynrkshire, is offering a 21 per cent discount on a new Cortina to custnmers who can pay up and drive away before March 27.

That is the day when a major, first-quarter incentive scheme operated by Ford comes to an end.

Dealers whn reach their set targets will get £300 for each Cortina sold, on top of the usual 18½ per cent discount for main dealers. There is also a £250 bonus to be won on 1100 cc Escorts.

As the campaign draws to a close some dealers, like the Bradford one, are marketing aggressively to make sure they reach their targets.

One London company has been advertising "a brand new Fiesta from £2,995; a brand new Escort with £600 off and a braod new Cortina from £3,999."

The price cutting is very disturbing for those motor traders who fear that the price wars which made 1980 so hard for them are about to return.

However, Ford insists the recent efforts of some of its dealers "does not represent any effort by Ford to market in this way. We don't encourage this kind of thing and would advise against it. But at the end of the day dealers are individual businessmen and we cannot dictate to them."

The problems faced by the Ford dealers in the first quarter came from twn sources. The market, predicted at the turn of the year to be 1.52m-1.55m in 1982, has not yet approached anything like that.

Ford has revised its estimate to 1.45-1.5m followiog poor January and February showing. Some dealers, like the one in Bradford, were more adversely affected than others by the heavy January snow and the floods which followed.

The second difficulty is that Ford has made it known well ahead of the event that the Cortina is to be replaced this year by a revolutionary new model called the Sierra. This car is so different in concept from the old Cortioa that the company decided to "soften up" customers to prevent them reacting violently against the new shape.

But it has left the group, particularly in Britain where the Cortina has been market leader for many years with an 11 per cent to 12 per cent share of intal new car sales, with possibly the biggest single marketing challenge the UK motor industry has ever set itself: How will Ford sell the last of the Cortinas and how many more should it produce in the final months of the model's life, especially when the total market is difficult to predict?

Mr Sam Toy, chairman, Ford of Britain, and his team have arrived at a policy decisinn and this will be passed on to Ford main dealers at a meeting on Sunday.

Mr Norman Johnson, managing director of Polar, the Ford dealer in Bradford who has advertised the 21 per cent discount offer, said it applies tn some 1600 cc base Cortinas which he ordered snme time ago and now has in stock.

# Company aid details announced

BY ROBIN PAULEY

THE GOVERNMENT announced details of its plan yesterday, to give local authorities new power to spend a total of £100m a year on assistance to small companies employing a maximum of 25 people.

Nn lncal authority will be able tn raise more than a ½p rate under the scheme according to the consultation document, although the final legislation is likely to allow exceptions to this rule where a ½ rate is too small to be useful for the purpose.

The 42 councils, recognised by Government as being inner urban areas with particularly severe problems, will be able to continue spending up to a 2p rate each year — in addition to the new ½p power — on assistance to industry, under sectinn 137 nf the Local Government Act 1972, only £12m in the current year was used) but all other areas will lose the right to spend a 2p rate under this section and will have to rely on the ½p power for grants and loans.

This may halt the Greater London Council's plan to set up a Greater London Enterprise Board, as it relied on a 2p rate under Section 137 for grants. This would have produced about £40m, but now only £10m can be raised under the Government's new ½p plan because the GLC is not a designated area of inner urban stress, although some of the boroughs within it are.

The Government's intention to act hefnre the economic upturn, gives some definition to its regional and inoer city policy. The new plans will give clearly identified areas an extra financial facility to try to attract new start-up jobs and small industry to their most depressed parts.

It also closes off the possibility of such attempts being undercut by more prosperous areas which would nevertheless like to hand out grants to attract the same new business.

All authorities will retain their rights under the Local Authorities Land Act 1963, to provide industrial sites and premises for sale or rent. This expenditure, which totalled £91m in England in 1980-81, is not limited and applies to companies of any size.

# Passengers urged to break law

BY LYNTON McLAIN, TRANSPORT CORRESPONDENT

LONDON TRANSPORT passengers were urged yesterday to break the law by refusing to pay the 100 per cent increase in fares on March 21.

The call came from Mr Dave Wetzel, chairman of the Greater London Council transport committee, and from other members of the "Can't Pay, Won't Pay" protest group.

The group launched a campaign in London yesterday to persuade passengers not to pay the increase, in spite of last week's statement from Sir Peter Masefield, London Transport's chairman, that the corporation "will sue anyone who incites others not to pay their full fares on London Transport buses and tube trains."

Mr Wetzel urged passengers to pay only previous fare rates after March 21, when fares will double.

He said yesterday: "I am inciting people to take part in an illegal campaign. It is clearly an illegal act for people not to pay the full fares demanded by London Transport.

"If they do not pay they could be fined and eventually, if they do not pay the fine, they could face imprisonment."

London Transport would not say last night what action if any it would take in view of the comments of Mr Wetzel and of the action group, made after Sir Peter's statement that London Transport would sue those who incited illegal action.

London Transport said: "The only lawful fares on March 21 will be those introduced on that day to take account of the House of Lords ruling.

"This means that should passengers offer to pay a part of their fare for their intended journey and the balance on request at some future time, LT will have no option but to take proceedings in order to comply with the law."

"Can't Pay, Won't Pay" is an independent campaign. It claims, however, the support of 13 of the GLC's 48 Labour councillors. Other members are trade union officials and passengers.

● The Prime Minister told the Commons yesterday that the Government totally condemned Wednesday's bus and Tube strike by London Transport staff.

Mrs Thatcher said the protest at the outlawing of the capital's cheap fares policy had caused great inconvenience to many people.

Mr Neville Sandelson, SDP MP for Hayes and Harlington, called on Mrs Thatcher to hold an inquiry into the financing of London Transport. Mrs Thatcher said "London Transport can be run properly if there is a will to do so under present legislation."

# Insurance bond covered fraud

BY RAYMOND HUGHES, LAW COURTS CORRESPONDENT

EXCESS Life Assurance Co., a subsidiary of International Telegraph and Telephone Corporation (ITT), can recover from its insurers money it lost through the fraud and dishonesty of its agent, the Commercial Court ruled yesterday.

Excess had claimed about £817.00-£423.727 in lost advance commissions, plus certain expenses. The exact amount to which it is entitled will be decided by a High Court Official Referee.

Mr Justice Webber said that Excess (now Ambassador Life Assurance Co) was one of a number fo ITT subsidiaries insured under a fidelity bond issued in New York by Fireman's Insurance Co, of Newark, New Jersey, a subsidiary of the Continental Insurance Companies.

The bond covered the dishonest or fraudulent acts of Excess's employees but, by a rider, limited to Sun Fireman's liability for any loss caused by "sales representatives and general agents."

The judge held that that included sales representatives and general agents not employed Excess, and gave the company leave to rectify the bond to make that clear.

He said Excess arranged to pay advance commission in respect of premiums obtained through a group of businesses run by a Mr J. W. Lambert.

The arrangement continued until Excess had paid advance commission totalling £1,393,814, and had received only £970,087 io premiums.

It had beeo unable to recover the balance of £423,727 from Mr Lambert, who was now bankrupt, or his companies, which were now in liquidation, and claimed to be entitled to recoup it under the bond.

The judge said the claim could succeed only if Excess could establish it had sustained the loss as a result of relying on Mr Lambert's fraudulent misrepresentations.

Mr Lambert had changed his scheme without informing Excess, which would never have paid commission had it known.

"The advances of commission which Excess lost were lnst as a result of Mr Lambert's fraudulent act and dishooesty," said the judge.

As Mr Lambert and his group came within the phrase "sales representatives and general agents." Excess fas entitled to claim under the bond.

# Union critic will stay on BNOC board

By Sue Cameron

THE DEPARTMENT of Energy announced last night that it had "no intention" of sacking Mr Gavin Laird of the Amalgamated Union of Engineering Workers from the board of the British National Oil Corporation.

The announcement followed a strong attack by Mr Laird and by Mr Clive Jenkins of the Association of Scientific, Technical and Managerial Staffs, on the Government's plans to sell off the North Sea assets of BNOC. Mr Jenkins is not to have his membership of the BNOC board renewed by the Government when it expires.

But despite the controversy over the refusal to re-appoint Mr Jenkins and the subsequent attack on the Government's plans to sell off the greater part of BNOC, the Prime Minister made it clear in the Commons yesterday that the proposals for the state oil corporation would go ahead.

She said the Government would not be deterred by the falling price of crude oil and added that prospective buyers would take into account the long term potential of BNOC rather than more immediate considerations.

Asked about Mr Jenkins, Mrs Thatcher pointed out that his three-year term as a member of the BNOC board would expire in March.

It is understood, however that Mr Laird was appointed at the start of last year for a three year period. His membership will therefore not expire until the end of next year.

One of the criticisms made by Mr Jenkins and Mr Laird concerned BNOC's plans for deferral of taxation—both Petroleum Revenue Tax and Corporation Tax. Mr Hamish Gray, Minister of State for Energy, pointed out yesterday that BNOC had deferred tax payments last year as a matter of normal accounting procedure.

# Community jobs plan questioned

By Lisa Wood

A NUMBER of questions needed to be resolved on the Budget proposal to establish a 100,000-place community-based work programme for the long-term unemployed, the National Council for Voluntary Organisations said yesterday.

Mr Peter Jay, the council's chairman, welcomed the Chancellor's "evident wish to decrease unemployment and to encourage more people to contribute to the community."

But he said a number of questions emerged from Sir Geoffrey Howe's statement which the voluntary sector wanted to see resolved.

These included the future of the Community Enterprise Programme (CEP). "Many voluntary organisations wish to see it expanded," said Mr Jay. "Will the new programme be compatible with its expansion or, indeed, survival?"

Another problem concerned the terms and conditions of the volunteers on the new scheme, he said. "While the CEP pays the rate for the job and gives employee protection, the new initiative means that those volunteering will receive only some £15 on top of normal benefits. How can we prevent it being seen as a cheap labour market?"

Mr Jay said there was also the question of the local relationship between voluntary organisations and trades unions. "Trades unions will be concerned legitimately with the interests of their members, and voluntary bodies recognise this concern."

The NCVO has urged the Manpower Services Commission to undertake "the widest possible consultation" over the proposal, which if 100,000 were employed would cost an estimated £150m.

Blind people are angry about the lack of help for them in the Budget, according to the Royal National Institute for the Blind. The extra beoefits for disabled people who received mobility allowances were welcome, but blindness did not make a person eligible for that allowance.

# Texaco plans £100m Pembroke plant to meet lead regulations

BY SUE CAMERON

TEXACO IS proposing to build a £100m plant at its Pembroke refinery in South Wales so it can meet new, stiffer regulations on the amount of lead allowed in petrol.

The U.S.-based company has applied for planning permission and if the project goes ahead, work should start early next summer. Texaco estimates that some 700 construction workers would be needed to build the new plant.

But last night it stressed that its proposals were still at an early age. I would be carrying ou a feasibility study into the project and would also be keeping a close watch on the current public debate on lead in petrol.

Lead is added to petrol to boost its octane rating and so ensure the smooth running of high performance engines. But there is growing concern about the effects of lead from petrol fumes on health—particularly on the health of young children.

The Government has announced that it is planning to lower the maximum amount of lead permitted in petrol from 0.4 grams per litre to 0.15 grams per litre with effect from the end of 1985.

Experts estimate that the total cost of the oil industry lowering the amount of lead in petrol while maintaining octane levels will be in the region of £200m.

It would be cheaper and simpler for the oil companies to leave lead out of their petrol altogether. But car engines would have to be redesigned before they could run smoothly on lead free petrol.

The oil industry is worried that this or a future Government could switch from lower lead to lead-free petrol, after substantial investment has been made in new refinery plant.

Texaco is thinking of installing a catalytic reformer which would produce some of the oil-based blending materials needed to make high octane petrol with a lower lead content.

# Government and NCB 'helped UK's competitors'

BY MARTIN DICKSON, ENERGY CORRESPONDENT

THE GOVERNMENT and the National Coal Board were accused yesterday of helping some of Britain's main industrial competitors by exporting coal at subsidised prices.

The attack came from the Commons Select Committee on Energy which said that Government explanations had not been able to remove entirely its suspicion that "at least some of the board's export sales constitute dumping."

In a report on the Department of Energy's 1981-82 expenditure, the committee strongly criticised the Government's handling of last year's £281m rescue package for the NCB which allowed the board to keep open more than 20 loss-making pits and thus avoid a national miners' strike.

The committee said it was "difficult to resist the conclusion that in their relief at avoiding a damaging strike the Government simply handed the money over without troubling to ask too many awkward questions."

The practical effect was to enable the surplus output created by it operating the uncommercial pits to be exported at subsidised prices, thus directly aiding some of the UK's mai competitors at the expense of the British taxpayer.

If subsidies, through deficit grants were to be provided, it would be more sensible to channel them in a way that would stimulate the home market. However, the committee recognised that economic circumstances might make the scope for this limited in the short term.

It estimated that the average pithead price of coal exports was £26-£27 a tonne, "significantly lower than for domestic sales, even further below the board's average production costs and still further below the production costs at high cost pits."

The NCB yesterday rejected charges of dumping, saying its exports fully complied with European Coal and Steel Community rules and made commercial sense.

Mr Ian Lloyd, the committee's chairman, told a Press conference it was not making a political judgment about the Government's decision. "Nevertheless, the Government should have scrutinised the consequences more closely."

*Second Report from the Select Committee on Energy, Session 1981-82. SO £4.35.*

# Baxendell to head Royal Dutch/Shell group

BY RAY DAFTER, ENERGY EDITOR

SIR PETER BAXENDELL, chairman of Shell Transport and Trading, is to take the top position in the Royal Dutch/Shell group—the second biggest oil corporation in the world.

On July 1, he will become chairman of the group's eight-strong committee of managing directors, the all-powerful operations and co-ordinating body which effectively runs the Anglo-Dutch oil group.

Sir Peter, an engineer, will replace Mr Dirk de Bruyne, president of Royal Dutch Petroleum, the Dutch arm of the group, who is retiring.

In other top-level changes announced yesterday, Mr Lou van Wachem, managing director of the Royal Dutch Petroleum Company since July 1977, will become president of that company and vice-chairman of the committee of managing directors.

Mr Bob Hart, managing director of the London-based Shell Transport and Trading since July 1976, will move across the North Sea to become managing director of the Royal Dutch Petroleum Company. As a result he is resigning from the board of Shell Transport and Trading.

In his place will be Mr Peter Holmes, at present president of Shell International Trading, who will also join the committee of managing directors.

Mr Huub van Engelshoven, director of Shell International Petroleum Maatschappij, is to be appointed managing director of Shell Petroleum. As a result, he too will sit on the committee of managing directors.

# Suppliers of food face threats of extortion

By Raymond Snoddy

THE NUMBER of attempts by criminals or terrorists to extort cash from companies whose foods or medicines they claimed to have contaminated has risen in recent years, a security expert yesterday told a symposium in London on crime in business.

Most of the threats to contaminate food by bacteriological or chemical means, however, had not become public knowledge, Major Stuart Syrad told business men. "If they had, the effects on sales could have been disastrous," said the major, formerly of the Royal Marines and now a principal consultant with Argen, a security company.

He detailed several such unreported attacks on companies which occurred about a year ago. One involved enough strychnine to kill a family. This was found in a tin of meat in a large retail organisation's store in the South.

The extortionists demanded £250,000. Their action caused temporary closure of the shop and re-stocking of it and neighbouring branches.

Another English supermarket group was threatened by an extortionist who said he would inject poison into salad-dressing unless paid £600,000.

As far as the major knew, no UK company had paid out large amounts to extortionists.

He said several unpublicised cases after Israeli oranges had been poisoned with mercury.

A Dutch warehousing group was threatened by individuals claiming to be terrorists who said they would poison the group's oranges from Spain unless money was surrendered.

The major said this company paid up. Subsequently it appointed security consultants to reduce risks of loss.

He said Lloyd's of London found interest growing in its policies covering bacteriological or chemical sabotage risks, although premiums were high.

Laser check-out systems gave retailers a chance to detect items belonging to previous rather than current sales stock.

In the longer term, however, companies might have to install expensive sensors to detect foods which had been tampered with, manufacturers would have to use stronger packaging methods and distributors might have to use the catalogue method of shopping.

The most important priority was for management to have a contingency plan for coping with such sudden crises.

The major said retailers should identify goods likely to be targeted for attack so that arrangements could be made with suppliers to re-stock outlets at short notice if contamination or poisoning were threatened.

Major Syrad also recommended regular training for staff in "prudent" security methods. This should concentrate on checks which could be made easily when adding price tickets or restocking shelves.

After training, simulated attacks could provide experience. Staff-awareness could be stimulated by the promise of reward if a suspect pack was confirmed to be lethal.

Closed circuit television and time-lapse cameras were important so that, when a threat was received, transactions could be checked to identify likely culprits.

# Medical school to run private health plan

BY IAN HAMILTON FAZEY

LIVERPOOL School of Tropical Medicine is to launch a private health insurance scheme for British exporters.

The idea is to advise companies on health problems likely to be encountered by executives travelling abroad and to prescribe preventive measures.

The school will also offer examinations, diagnosis and treatment of illoesses contracted abroad.

Mr Geoffrey Griffin, secretary of the school's voluntary funds committee, said yesterday: "We shall be getting in touch with companies which are likely to be interested as soon as we have finalised the details."

The school already offers such services on an ad hoc basis for individuals and a handful of companies. The scheme will be an attempt to raise funds by marketing the school's clinical services more formally.

Last year, 1,060 patients were seen. Illnesses contracted abroad included malaria, worm iofestation and other parasitic ailmeots. Some patients reported sick after holidays and others after business trips.

One problem is that many govcroments of developing nations do not like to admit that European visitors face health risks. This has led to comfortable assumptions by travellers who then fall unexpectedly ill.

Malignant malaria, for instance, a potentially fatal illness, can be contracted in most of Africa, the Middle East, India, Pakistan, Southeast Asia, some Pacific and Caribbean islands, and part of Central and South America.

The traveller is more at risk with some illnesses than the local population, which has often built up resistance.

The school of Tropical Medicine is an independent body with charitable status affiliated to Liverpool University. Last year it raised £496,000 of its £1.875m spending from charities, companies and the public.

The rest of its funds came from the Government and the university's grants commission in roughly equal proportions.

The new scheme is aimed at boosting voluntary funding, especially sioce government support of the school's world renowned Department of Tropical Pediatrics is likely to be stopped in three years' time.

# Big users see no call for increase in Stock Exchange charges

BY JOHN MOORE, CITY CORRESPONDENT

MAJOR USERS of the UK stockmarket have told Sir Nicholas Goodison, chairman of the Stock Exchange, that they could see little justification for an increase in the charges on share and gilt edged transactions.

Sir Nicholas and the Exchange's liaison committee met the critics of the proposed changes at a meeting on Wednesday, which was attended by representatives from the unit trusts, investment trusts, pension funds, insurance companies, and accepting houses.

He was told that the stock market had not made an adequate case for increases in its commission review. He told the meeting that the Exchange council was under pressure from members of its market to amend the commission structure.

Essentially the complaints ebout the increases centre on the following points:

- Minimum commission increase would penalise the small investors;
- While thera may be some justification for increasing the minimum commission charges and commission levels, there is no justification for increasing the percentage rates;
- Too much research expenditure is made by brokers putting pressure on costs and forces increase in charges;
- Commissions on gilts are too high.

The Exchange has been urged to revise its proposed plans, but no decision was taken on whether charges should be adapted following the criticism. But last week, Sir Nicholas had indicated that the charges could he modified.

"What is the point of having consultations if we are not prepared to make modifications?" he said.

The Stock Exchange council will be reviewing the criticisms at e meeting on March 16 or March 23.

# 'Investment stall' scheme hopes to attract capital to Third World

BY JOHN WYLES IN BRUSSELS

AN unusual "investment stall" will be laid out for the benefit of British industrialists in London and Birmingham next week in an attempt by the Brussels-based Centre for Industrial Development to attract more private capital to African, Caribbean and Pacific countries.

During day-long seminars in London on Monday, and Birmingham, on Tuesday, the CID will offer details of 41 joint venture opportunities in 16 Third World countries. These will range from the establishment of a fruit juice concentration manufacturing plant in St Lucia to an agricultural implements factory in Kenya.

The projects have been submitted by ACP governments (African, Caribbean and Pacific signatories to the Lomé Convention) and approved by the CID as potentially feasible.

The CID has a 22-strong professional staff from Europe and the Third World, and was set up in 1977 under the convention which is the EEC's trade and aid agreement with 62 ACP countries.

Its main function is to act as a broker, bringing together private European capital with an ACP project and investor. Once prospective partners have been matched, the CID can put up half the funds for a feasibility study on the project and help in the negotiation and development of plans.

The CID's main priority is to channel funds into the least developed countries. However, the recession in Europe, coupled with the inexperience of ACP countries in refining investment ideas, has made the task a tough one.

Next week's seminars are a relatively new initiative designed to discover potential British investors. Mr Jens Mosgard, CID's director, said yesterday that small and medium-sized companies were his particular target.

He had been concerned and surprised that not a single British company had been represented at e seminar the CID organised in Brussels earlier this year for the metalworking industries.

He said one thing particularly lacking in British development policy, which would encourage more joint ventures with ACP countries, was aoft loan facilities.

British development experts tend to be more sceptical, however, arguing that the least developed countries cannot be an attractive proposition for small and medium-sized European companies lacking experience of overscas production and investment.

According to Mr Mosgard, however, Europe has not woken up to the change in the Third World political climate which is now much more encouraging for foreign investors.

Tax holidays and tariff protection are widely available, says the CID while many European companies ought to see the advantages of manufacturing in relatively low-wage countries closer to the sources of their raw meterials.

The Centre is now closely monitoring the first fruits of its efforts. Eleven projects are in production while another 15 are being implemented. Meanwhile, 21 feasibility studies were hegun last year.

# Ferryowners seek return of fees

BY RAYMOND HUGHES, LAW COURTS CORRESPONDENT

TWO CONTINENTAL ferry companies are contending in the Court of Appeal that Trinity House, the UK pilotage authority, should pay back well over £500,000 in excess pilotage fees that the companies allege they heve wrongfully been required to pay.

The companies, which want the court to rule that they are entitled to sue for the money, are DFDS, Danish company operating daily services between Harwich and Esbjerg; and Lion Ferry, e Swedish company trading as Prins Ferries of West Germany which operates between Harwich and German ports.

The case arises out of the long-running dispute about the right of masters and mates of foreign ships to pilot their own vessels in and out of UK ports.

Mr Richard Seymour, for the companies, told the appeal court that the pilotage fee for each entry and departure was about £250 for the German vessels and about £300 for the larger Danish vessels.

When a foreign master had been granted a pilotage certificate by Trinity House, the only payment required was a contribution of about £6 to the pilot fund.

Trinity House had agreed to examine the German masters—provided Lion Ferry paid, not £6, but half the usual pilotage fee.

As a result of that arrangement, which Lion Ferry had accepted pending the outcome of the litigation, the company estimated it had paid about £500,000 in excess fees.

A smaller, as yet unquantified, claim was made by DFDS. Its masters had not yet been examined, and were appealing against a High Court refusal to order Trinity House to examine them. The hearing continues.

# Sixth-form college ban withdrawn

By Michael Dixon, Education Correspondent

SIR KEITH JOSEPH, Secretary for Education and Science, has withdrawn his rejection of Manchester education authority's plan to concentrate sixth-form studies in three separate colleges.

He rejected the plan in November mainly because it would abolish the sixth forms of three academically successful schools — Burnage, Parrs Wood and Whalley Range.

Sir Keith has now given his approval on a guarantee that these sixth forms will continue while those of the authority's other 22 secondary schools will be transferred from the autumn to the proposed colleges.

# Lords reject tax appeal by John Lewis group

BY RAYMOND HUGHES, LAW COURTS CORRESPONDENT

A TAX APPEAL by a member of the John Lewis group, over electric light installations at its department store in Brent Cross, North London, failed in the House of Lords yesterday.

The Law Lords upheld a finding of tax commissioners that £453,218, spent on light fittings and ancillary equipment, was not an expenditure on "the provision of plant" deductible from income for tax purposes.

Dismissing an appeal by Cole Brothers, the Law Lords said thatthat the issue was one of fact, on which the commissioners had made no error of law and the finding should not be disturbed, unless it was manifestly unreasonable.

It was the second time in a week that they had had to consider the meaning of the word "plant" in the context of industrial and commercial equipment.

Last week they decided that wall decor creating "atmosphere or ambience" in hotels and public houses could be regarded as plant for tax purposes.

Lord Hailsham, Lord Chancellor, commented that "plant" was used in an artificial and largely judge-made sense to describe the means by which a trade was carried on in an appropriately prepared setting, "borrowed, unless I am mistaken, from the world of botany," he said.

# Company treasurers attack Barclays' bond

BY DAVID MARSH

COMPANY treasurers, irked at the high cost of long term borrowing, have launched a strong attack on Barclays Bank's bond issue made last month, which carries an interest rate of 16 per cent into the 21st century.

An editorial in this month's issue of The Treasurer, the journal of the Association of Corporate Treasurers, published today, criticises Barclays for paying a "frightening" interest rate for a 25-year loan.

Barclays' issue was the first major corporate bond in the domestic sterling market for 10 years.

The editorial says "only time will tell whether Barclays' move has been a wise one," but it hints strongly that, in the corporate treasurers' view, it was not. At the time of issue the 16 per cent coupon was ½ point above that on prevailing gilt-edged levels. Since then, long-term UK interest rates have fallen sharply.

The editorial accuses Barclays of missing an opportunity of weaning investment institutions away from high long-term interest rates. Instead, the institutions have been left "comfortably in control."

It says corporate treasurers have been hoping that diminished government borrowing on the capital markets would leave long term institutional funds looking for a home at lower interest rates. These hopes may have been boosted by the Budget, the announcement of lower government borrowing next year and less recourse by the Treasury to conventional gilt-edged stocks.

But the tone of the editorial is that Barclays' issue has set back the corporate treasurers' cause.

The editorial says Barclays' action could be seen either as "the act of a courageous market leader or the folly of a profligate spender."

The editorial says Barclays has stressed that it is neither, but that it is simply borrowing sterling because it is cheaper than dollars. "This," the editorial observes drily, "is not a line of argument that would appeal to many British corporate treasurers."

The editorial also criticises Barclays for not taking advantage of more flexible financing techniques pioneered on the Euromarket in the last decade.

The Euromarket had offered corporate treasurers "scope for much creative financing. One might have hoped that experience of the potential of such operations would have led borrowers to demand a similar degree of flexibility as and when the market for corporate debt reopened. Not so Barclays: the new loan stock carries precisely the same terms as an issue the bank made in 1968."



## BASE LENDING RATES

| | |
|---|---|
| A.B.N. Bank | 13½% |
| Allied Irish Bank | 13½% |
| American Express Bk. | 13½% |
| Amro Bank | 13½% |
| Henry Ansbacher | 13 % |
| Arbuthnot Latham | 14 % |
| Associates Cap. Corp. | 14 % |
| Banco de Bilbao | 13½% |
| BCCI | 13½% |
| Bank Hapoalim BM | 13½% |
| Bank Leumi (UK) plc | 13½% |
| Bank of Cyprus | 13½% |
| Bank Street Sec. Ltd. | 15 % |
| Bank of N.S.W. | 13½% |
| Banque Belge Ltd. | 13½% |
| Banque du Rhone et de la Tamise S.A. | 13 % |
| Barclays Bank | 13 % |
| Beneficial Trust Ltd. | 14½% |
| Bremar Holdings Ltd. | 14½% |
| Bristol & West Invest. | 15 % |
| Brit. Bank of Mid. East | 13 % |
| ■ Brown Shipley | 13 % |
| Canada Perm't Trust | 14 % |
| Castle Court Trust Ltd. | 13½% |
| Cavendish G'ty T'st Ltd. | 15½% |
| Cayzer Ltd. | 14 % |
| Cedar Holdings | 14 % |
| ■ Charterhouse Japhet | 13½% |
| Choulartons | 14 % |
| Citibank Savings | ¶14 % |
| Clydesdale Bank | 13 % |
| C. E. Coates | 14 % |
| Consolidated Credits | 13½% |
| Co-operative Bank | *13 % |
| Corinthian Secs. | 13 % |
| The Cyprus Popular Bk. | 13½% |
| Duncan Lawrie | 13 % |
| Eagil Trust | 13 % |
| E.T. Trust | 13½% |
| Exeter Trust Ltd. | 14½% |
| First Nat. Fin. Corp. | 16½% |
| First Nat. Secs. Ltd. | 1[illegible] |
| Robert Fraser | 14 % |
| Grindlays Bank | ‡13 % |
| ■ Guinness Mahon | 13 % |
| ■ Hambros Bank | 13½% |
| Heritable & Gen. Trust | 13½% |
| ■ Hill Samuel | §13½% |
| C. Hoare & Co. | †13½% |
| Hongkong & Shanghai | 13 % |
| Knowsley & Co. Ltd. | 14 % |
| Lloyds Bank | 13 % |
| Mallinhall Limited | 13 % |
| Edward Manson & Co. | 14½% |
| Midland Bank | 13 % |
| ■ Samuel Montagu | 13 % |
| ■ Morgan Grenfell | 14 % |
| National Westminster | 13 % |
| Norwich General Trust | 13½% |
| P. S. Refson & Co. | 13½% |
| Roxburghe Guarantee | 14½% |
| E. S. Schwab | 13½% |
| Slavenburg's Bank | 13½% |
| Standard Chartered | ‖13 % |
| Trade Dev. Bank | 13½% |
| Trustee Savings Bank | 13 % |
| TCB Ltd. | 13½% |
| United Bank of Kuwait | 13 % |
| Whiteaway Laidlaw | 14 % |
| Williams & Glyn's | 13 % |
| Wintrust Secs. Ltd. | 13½% |
| Yorkshire Bank | 13 % |

■ Members of the Accepting Houses Committee.

* 7-day deposits 10%, 1-month 10.25%. Short term £8,000/12 month 12.5%.

† 7-day deposits on sums of: under £10,000 11.00%, £10,000 up to £50,000 11¾%, £50,000 and over 12¼%.

‡ Call deposits £1,000 and over 10%.

‖ 21-day deposits over £1,000 11¾%.

§ Demand deposits 11%.

¶ Mortgage base rate.

# Three FT writers named in British Press awards

BY LISA WOOD

THREE Financial Times journalists have been named in the British Press Awards, announced today.

Young Journalist of the Year award goes to Mr Alan Friedman, a specialist financial reporter. Mr Philip Rawstorne and Mr Robert Cottrell were commended in the Columnist of the Year award for their Men and Matters diary.

Mr Friedman, said the panel of judges: "Submitted a range of articles showing remarkable enterprise in his specialised area of writing on international capital markets, and also great skill in covering the financial crisis at Laker Airways and at Norvic. His entry showed all-round skill and writing ability."

Some 50 journalists received awards in the competition which was for work performed in 1981.

The Journalist of the Year award went to Mr Hugh McIlvanney, of The Observer. "His perceptive genius as an observer of both the big occasions and the off-beat incidents no one else noticed has three times won him the award of Sports Journalist of the Year," said the judges.

A team of writers from The Sunday Times won the Reporter of the Year award for their coverage of the Brixton, Toxteth and Southall riots. The writers were Mr John Shirley, Miss Elizabeth Grice, Mr Michael Bilton and Mr Kim Fletcher.

International Reporter of the Year was Mr Jonathan Steele, of The Guardian, who was called by the judges "a very fair-minded and detached writer."

Mr David Hencke of The Guardian, "a journalist in the true investigative tradition" was awarded the Specialist Writer of the Year award. Miss Valerie Flatley of the Evening Echo, Basildon, was named Provincial Journalist of the Year.

Other awards went to: Mr Ian Wooldridge, Daily Mail (Sports Journalist of the Year); Mr Frank Johnson, The Times (Columnist of the Year); Mr Clive James, The Observer (Critic of the Year); Miss Ann Leslie, Daily Mail (General Feature Writer of the Year); Miss Majorie Wallace, The Sunday Times (Campaigning Journalist of the Year); Mr Joseph Finkelstone, Jewish Chronicle (David Holden Award); Mr Kent Gavin, Daily Mirror (Photographer of the Year and News Photographer of the Year) and Miss Posy Simmonds, The Guardian (Cartoonist of the Year). A special provincial award went to the Liverpool Echo for its "outstanding coverage" of the Toxteth disturbances.

The British Press Awards are organised by Mirror Group Newspapers in collaboration with several other newspaper groups.

# Aviation gas tax cut plea

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

THE general aviation industry will pursue its campaign for further cuts in the tax on aviation gasoline (avgas), despite the Chancellor's Budget decision to cut the tax from about 62.8p a gallon to about 32p.

Welcoming the reduction as being of particular benefit to companies using piston-engined aircraft, the General Aviation Manufacturers' and Traders' Association's fuel committee said yesterday that avgas still compared unfavourably with aviation turbine fuel (avtur), taxed at only 3½p per gallon.

"It is a common misconception that general aviation is solely a fun and leisure industry," said the committee, which claimed piston-engined aircraft operated by airlines, air taxi operators and companies, flew 65 per cent of general aviation's hours each year. Pilot training accounted for 20 per cent and agricultural flying for a further 5 per cent.

"Since, therefore, 90 per cent of all general aviation flying is for business, industrial or commercial use, an anomaly still remains."

# The great battle of the Mersey marshes subsides

**Ian Hamilton Fazey** on the background to a controversial land sale

THE MERSEY marches, sandwiched between the Manchester Ship Canal and the M56 at the bottom of the great U-bend of the River Mersey, have been the subject of bitter wrangling for years. Now they have been sold by the Ministry of Agriculture.

The great battle of the marshes has been over what might one day be done with them. They lie between the petrochemical complexes of Ellesmere Port and the concentrated chemicals industry around Runcorn. They offer space, and the best views across the estuary towards Liverpool, in an area where industry, farmers and local residents have been jostling for elbow room.

The inhabitants of the upmarket Cheshire villages of Frodsham, Helsby, Elton and Ince have been fighting any notions of industrial expansion. They failed, however, to get the marshes designated as green belt when the Department of the Environment removed them from the jurisdiction of Cheshire County Council by reserving future planning permission for them to itself.

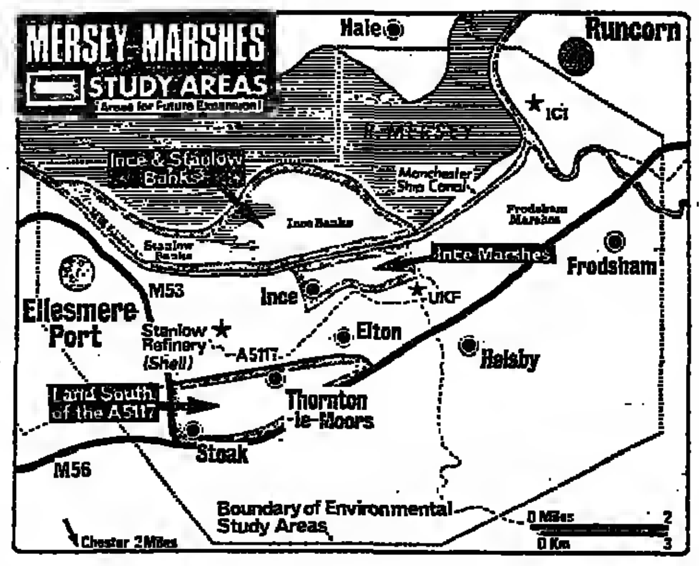
An Environment Department promise that industrial development would be allowed only for something of national significance failed to reassure many people who were fearful of drastic falls in property values if that happened.

There was even an attempt in November to get about 5,000 local residents to raise up to £250 each and buy the marshes for themselves, even though the sale, which has just gone through, was by then well on the way to completion.

Unease has been worsened by secrecy surrounding the deal. The Ministry of Agriculture refused to disclose the identity of the buyer, or the price paid for the 1,316 acres. A spokesman said it was a matter of "commercial confidentiality."

The identity of the buyer can, however, be at least partly revealed. A spokesman for ICI, the dominant industrial presence at the eastern end of the marshes, admitted that the company was one of three members of a consortium formed for the purchase, the others being the Manchester Ship Canal Company and an unnamed company with interests in farming.

ICI and the Ship Canal Company have long leased parts of the marshes for waste disposal. ICI has now bought the 80 acres it uses mainly for lagoons and says there are no plans to build on it. The Ship Canal Company has bought the land on which it tips dredgings, which are already 30 feet deep over 700 acres. The porridge-like consistency of the dredgings means they can support only "a bit of grass and a few cows," according to a Cheshire County Council spokesman.




The rest of the land is farm land and the ministry says that the sale was "subject to respect of existing tenancies."

The overall effect of the sale, therefore, is that the usage of the marshes is unlikely to change much, if at all. They will remain a green, waterside wedge preventing the coalescence of some of the most important sites of the chemicals industry in Europe. Shell Oil, ICI, UKF and Shell Chemicals are the main companies involved.

This means that attention will now be focussed on what Cheshire County Council intends to allow at the marshes' western end, to the east and south of the Stanlow complex of refineries. The county's local plan is due to be published soon. Several villages may face the prospect of encirclement by chemical plant.

Shell already owns land in one area likely to be designated for development. The land is between the A5117, which marks Stanlow's present southern perimeter, and the relatively new M56, to the east of Stanlow. UKF owns land between its present plant and the Ship Canal, in another area likely to be zoned for industry.

However, neither company has plans for expansion. A UKF spokesman said that it has just removed bottlenecks to raise fertiliser production by 40 per cent to 700,000 tonnes a year and has no need yet to consider new plant. In Shell's case recent investment has gone into renewing existing plant. A spokesman said: "We have no plans to expand outside our normal site."

So why is the issue a live one at all? Cheshire's principal planning officer, Mr Alan Bell, says that the county needs to have land available quickly to attract more secondary chemical industry. This comprises companies which buy feedstocks from the neighbouring chemicals giants converting them into starting materials for other companies, many in the Thames Valley, to make into consumer and industrial products.

The fall in the price of oil—the primary source of many feedstocks—could make the start-up of more such companies attractive.

The North-west already has expertise in the sector—"secondary" companies abound between Widnes and Manchester—and Mr Bell thinks more can be persuaded to the region, bringing many jobs with them, especially if room can be made around Stanlow in the Merseyside special development area.

Longer term, the county is commissioning studies of how to reclaim the Ince Bank saltmarsh, using a mixture of pulverised fuel ash from a local power station and Ship Canal dredgings. This would provide 600 acres for industry in the 1990s, though it might cause problems for the 50,000 ducks and waders for which the saltmarshes are a major European wintering habitat.

Whatever happens, however, the co-existence of industry, people, and wildlife in this patch of Cheshire where the Mersey bends is likely to remain forever uneasy.

# UK NEWS – LABOUR

## Teachers' action disrupts schools

By Our Labour Editor

TEACHERS CAUSED widespread disruption yesterday in schools around the country as they refused to cover lunch breaks in support of a demand that their pay dispute go to arbitration.

The management has offered 3.4 per cent in response to the teachers' claim of 12 per cent.

The unions claimed almost total support from the members they had called out. A number of schools had to close for the afternoon, and many had to lock up at lunchtime.

The action began as the National Union of Teachers, the largest teachers' union, claimed that Berkshire had become the first Conservative County Council to support the unions' call for arbitration. The Conservatives are the largest party in Berkshire, though they do not have an overall majority.

The union said that 14 members of the 47-strong Association of County Councils (ACC) now supported arbitration. The Labour-controlled Association of Metropolitan Authorities has already indicated its support for the call, and its members have been exempt from action by the NUT — though not by the National Association of Schoolmasters Union of Women Teachers, all of whose members were called out yesterday.

The ACC said last night that it would not change its view that negotiations on the employers' 3.4 per cent offer should continue. The teachers' unions have said that further arbitration is pointless.

It is understood that only three or four members of the ACC—including Nottinghamshire, Gwent and Northumberland—have told the ACC that they support immediate reference to arbitration. About 10 more have said they want further negotiation and arbitration if all else fails.

The Labour-controlled Birmingham authority and the Liberal-controlled Liverpool authority have threatened members of the NAS/UWT with disciplinary action or wage deductions because of their industrial action.

A letter to teachers in the area from Mr John Crawford, Birmingham's director of education, says wages may be deducted for times when the teachers refused to work.

## Shipyard workers may accept 6.5-7.5%

BY JOHN LLOYD, LABOUR EDITOR

UNIONS at British Shipbuilders hava agreed in principle to recommend a wage offer which would give the corporation's 67,000-strong workforce wage rises of between 6.5 per cent and 7.5 per cent. The union's claim was for rises of 12-16 per cent.

*The deal was reached at a* 13-hour meeting between the two sides which ended in the early hours of yesterday morning. Details of the draft agreement are being kept secret until the full package is presented to a delegate conference in Newcastle on Wednesday.

*The offer, like manw in the* public sector, is considerably above the 4 per cent guideline the Government proposed for the sector last year. The management's initial offer to the unions at an early stage in the bargaining was 4.2 per cent. This was improved after an adjournment of more than three hours.

It *is* understood *that* the corporation's white collar workers will receive rises of about 6.5 per cent, and manual workers up to 7.5 per cent.

This would mean that a craft worker on a minimum earnings level of £106 would get £113.50 for minimum earnings. *Unskilled workers would receive* rises of 80 per cent of that.

Executives at British Shipbuilders are preparing background documents to the offer, which will be sent to the Confederation of Shipbuilding and Engineering Unions at the end of the week. The documents will spell out the details agreed in principle yesterday.

It is understood that the corporation has conceded a number of fringe benefits in response to a claim which contained a long list of fringe demands, including a 35-hour week, increased holidays and holiday pay, maternity, paternity and bereavement leave, adult rate for adult work at 18 and improvements in allowances.

In presenting the claim the confederation has argued that shipbuilding workers had slipped *from fourth* place in the wages league in the mid 1970s to *20th place because of a* number of low settlements. It also pointed out that, because of redundancies, total wage costs for British Shipbuilders had not risen since nationalisation in 1977.

The unions are also concerned that bonus schemes, introduced in previous agreements, have not yet begun to pay dividends to their members.

*British Shipbuilders* has admitted, in early negotiations with the unions, that there had been a "slippage" in its commitments.

The corporation has set up a new "Productivity Improvement Department," which it expects to generate bonus payments in return for increased productivity.

However, both sides have still to agree a "Shipbuilding Charter" to cover all issues related to productivity and industrial relations. It is expected that negotiations will *start after the present* wage talks end.

## CPSA agrees new technology interim deal

BY PHILIP BASSETT, LABOUR CORRESPONDENT

LEADERS OF Britain's largest civil service union yesterday accepted the Government's offer of an interim two-year agreement on the introduction of new technology in the Civil Service, which includes a guarantee of no compulsory redundancies.

The civil service executive committee of the Civil and Public Services Association voted by 14 votes to five to accept the offer.

The full Council of Civil Service Unions meets to discuss the offer on March 18, and CPSA leaders were confident yesterday following the union's vote that the CCSU would obtain the required two-thirds majority to accept the offer.

Committed votes, based on seats on the Council, are: CPSA (20), Institution of Professional Civil Servants (11), and the First Division Association (two). The Association of Government Supervisors and Radio Officers (two seats) is likely to vote with the IPCS, making 35 votes in all, out of 68.

Only the Society of Civil and Public Servants (11 seas) is so far committed to oppose the deal, though the Inland Revenue Staff Federation — whose members could stand to lose most from the agreement from the computerisation of Pay as Yon Earn tax — may follow suit.

The IRSF (eight seats) is holding a special conference on the issue on Monday, and the union's executive is recommending acceptance, with the warning that rejection may well mean strike action over the issue. But there are doubts within the unions about their ability to mount industrial action over new technology.

The lower grade Civil Service Union finance and general purposes committee was due to agree on its union's stance yesterday, but it decided to put the question to a recalled special meeting of its full executive committee next Tuesday.

If the CSU (six seats) and the IRSF joined the SCPS, giving 25 votes in all, that would be enough to block the deal. What would happen then is unclear, but it is thought the CPSA might go for an individual deal.

The Prison Officers' Association, which is not directly affected by new technology, holds the remaining three seats.

If either the CSU or the IRSF decides to accept it, that would probably be enough to secure its acceptance.

## Vote to merge with Bifu

THE 850 members of the Royal Liver and Composite Section of the National Union of Insurance Workers have voted four to one in a ballot to merge with Bifu, writes Brian Groom.

The staff association at Scottish Equitable life assurance company has also agreed on merger terms with Bifu. A ballot will begin on April 26. Bifu is holding talks with other staff associations in Scottish life offices.

Bifu said that it was making inroads into areas traditionally the stronghold of its rival, the Association of Scientific, Technical and Managerial Staffs.

ASTMS picked up a number of sections of the NUIW, which represents field agents, in the 1970s, and has members in Scottish life offices.

## Bank staff fear threat to computer jobs

BY BRIAN GROOM, LABOUR STAFF

JOBS OF computer staff and their clerical colleagues are threatened by technological changes, it was stated yesterday at the first computer section conference of the Banking Insurance and Finance Union.

Mr Terry Molloy, Bifu assistant secretary, said job losses were "creeping in in computer operations departments without us really noticing." Programming would be the next area to suffer.

The impact of new technology has caused deep disagreement between Bifu and the banks, which accuse the union of scaremongering to recruit by fear.

The conference expressed concern that new technology was being introduced with little consultation and no negotiation. It voted for a campaign to obtain new technology agreements in banking, insurance and finance.

Bifu has been unsuccessful in winning such dual management union agreements before the introduction of new equipment. The union favours technological change, but wants to use its benefits to move towards a 28-hour four-day week.

Several delegates called for action to win agreements, but it was recognised that this is a difficult issue on which to persuade staff to act. An inquiry into lost job opportunities in computer operations will be undertaken.

Mr Molloy said it was possibly the first conference of a distinct computer section among British trade unions. Emphasising group identity among computer staff, he said their power was forcing employers to develop sophisticated back up systems and to distribute computers in a way they would otherwise not do to guard against industrial action.

Issues of concern to computer staff which emerged yesterday were contract labour—likened by one delegate to "the lump" in the building industry—and the lack of adequate career opportunities.

The conference passed a motion from Lloyds Bank members, who have a separate structure for computer staff, calling for data processing workers to negotiate their own pay claims and not to be included in national ballots of clerical members.

Clerical staff are expected to accept this year's 8.5 per cent pay offer from the British clearing banks.

## Closure warning to Dunlop

By Our Labour Editor

UNIONS AT Dunlop have renewed their threat to close the company, and also to involve the company's overseas subsidiaries in industrial action.

A joint letter from the General and Municipal Workers Union and the Transport and General Workers Union to Dunlop workers yesterday says that unless the company begins urgent talks at national level on a range of issues they will call a country-wide strike.

The company said yesterday that the call for national talks, which the unions say has been made repeatedly, came for the first time in the last few days.

The company's managing director, Mr Alan Lord, yesterday tried to contact Mr David Warburton, national officer of the GMWU, to clarify the situation.

The unions claim that the company plans to increase hours from 38 to 45 in the north-east, has rejected arbitration in Yorkshire and consistently refused to negotiate.

Dunlop says that there is no intention to raise hours by that amount in any plant and that arbitration has not been sought.

Mr Warburton said yesterday: "We now have the support of other unions abroad who back us, and unless Dunlop agree to meet, a total shutdown is more than a possibility."

## Unions clash with BR over wages link to productivity

BY PHILIP BASSETT, LABOUR CORRESPONDENT

BRITISH RAIL and its unions clashed again yesterday over the crucial issue of railway productivity. BR made it clear that this year's pay offer had to be linked to improved efficiency, but the three unions insisted that pay and productivity should remain separate.

The wide difference between the two sides at the presentation of the unions' annual pay claims comes before next week's arbitration hearing on flexible rostering which led to 17 days of strikes recently by the train drivers' union.

BR is confident that the Railway Staffs National Tribunal hearing will produce a result in its favour, urging the Associated Society of Locomotive Engineers and Firemen to move away from the principle of the eight-hour working day, which has been sacrosanct since 1919.

Other railway union leaders were insisting yesterday that if the RSNT came down in favour of the BR Board, then Aslef would not have their support nor that of the TUC if it tried to resist.

BR told its unions yesterday that it would not make any reply on wages until the outcome of the national tribunal hearing on flexible rostering waa known.

However, Mr Cliff Rose, BR Board member for industrial relations, said there was a serious financial position, mainly stemming from the Aslef strikes. If pay and conditions were to be improved, the board either had to improve its income, or reduce its costs.

BR is considering telling the unions that because of the effect of the Aslef strikes on its finances, all pay rises would have to be delayed beyond the due April date—effectively proposing a pay freeze until its cash position improves.

The unions insisted, though, that pay and productivity were separate. Aslef, for example, told the board that it "should appreciate that (the) society will not accept any offer, put forward in settlement of its claim, which is linked with productivity bargaining or working practices. "All such matters must be the subject of a separate agreement and rank for additional payment."

Like the other unions, Aslef was claiming a substantial increase in line with the prevailing rate of price inflation. If this is put at the current rate of 12 per cent, the claim would cost BR more than £170m, which it cannot afford.

BR told the unions that it would restrain itself from replying to "offensive" sections of the Aslef claim. One union leader said that if Aslef had spoken like that to him, he would have been 'over the table at them."

Aslef said that its members had provided a loyalty to the industry which they now believed had been misplaced. Unless they received adequate compensation, they would withdraw the co-operation they had given in the past.

The National Union of Railwaymen told the board its members would not meekly take "one pay cut after another."

It urged that the railmen grade should be scrapped, and staff on it regraded to Leading Railmen. The union also argued that agreement should be reached on the implementation of the 35-hour week by 1986.

## Plessey strike talks today

FINANCIAL TIMES REPORTER

UNION and management officials will hold talks today in a bid to resolve the unofficial strike halting production of telephone switchboards at the Plessey electronics plant at Huyton, north Merseyside.

The 500 hourly-paid workers, most of them women, walked out on Tuesday in protest at the suspension of two male colleagues for alleged poor timekeeping and absenteeism.

The company has denied union claims that the normal disputes procedure was not followed.

# Gilmour renews criticism of Howe strategy

BY JOHN HUNT, PARLIAMENTARY CORRESPONDENT

SIR IAN GILMOUR, one of the leading Tory "wets," criticised Sir Geoffrey Howe, the Chancellor, last night, for failing to provide a large enough stimulus to the economy in his Budget.

He disagreed with those who maintained that the Budget was deflationary.

"I prefer to think he has given a stimulus to the economy—but a very small stimulus at a time when I think a much larger one is called for."

Labour MPs rocked with gleeful laughter as he said in the resumed Budget debate in the Commons: "At the moment the British economy is about as much in danger of overheating as is the Arctic Circle. That view is supported by the Government's own figures."

He said the Budget would provide a slight stimulus, but do nothing to stop the rise in unemployment.

"Unemployment is by far the greatest problem facing the country today and it is up to the Chancellor by a variety of methods to tackle it now," he said in the resumed Budget debate in the Commons.

Sir Ian has called previously for a reflationary package of £5bn, but did not on this occasion spell out exactly what he had in mind.

His criticisms were somewhat milder than on former occasions. He made a point of congratulating Sir Geoffrey on some aspects of the Budget.

He thought an analysis of the figures in the Government's Blue Book seemed to indicate unemployment will go on rising for some time. Certainly, if the predicted rise in productivity occurred it would produce a bigger increase in unemployment than was assumed in the Blue Book.

"To see unemployment remorselessly rising for most or all of next year—rising from an enormously high figure—does not seem to me to be right.

"That is why I say the stimulus to the economy is far too small."

The Chancellor was not constrained by the balance of payments or a shortage of capacity. "Certainly he is not constrained by a shortage of people."

The Chancellor, he recalled, had made known his concern about the unemployed but, "such eloquence does sit a little uneasily with a policy that envisages a steady growth of unemployment to an even higher level. The Government does seem almost resigned to high unemployment."

Sir Ian called on the Government to extend the voluntary community work measure to help the unemployed announced in the Budget. The restrictions on it should be lifted.

He conceded that the Chancellor had lent a sensitive ear to complaints from a number of Conservative MPs.

Sir Ian welcomed what was being done for the needy and disabled. He was glad to see the restoration of the 2 per cent shortfall of unemployment benefit which he saw as an extremely useful and important step.

The help for small businessmen was "admirable," as was his package on energy costs.

Sir Ian welcomed the Chancellor's greater flexibility on monetary policy and on rasing the monetary targets from 5-9 per cent to the 8-12 per cent target. This was sensible and facing up to reality. Highly encouraging was the outlook for lower inflation later this year and next year.

He felt the Chancellor was right to concentrate on lowering industrial costs. He had been quite right in his income tax but raise the thresholds to take a lot of people out of tax.

The way the Chancellor had distributed the money available to him was "admirable."

# Private accountants to do trial audits for NHS

BY JOHN HUNT

TEAMS OF private accountants are to be brought into the National Health Service to audit the accounts of a cross-section of local health authorities to improve efficiency and financial control.

In a separate move to raise more money for the health service, the Government has set up an inquiry team—including two private sector representatives—to make recommendations to speed up the sale of surplus hospital land and property.

Much of such land is used for agricultural purposes.

Mr Norman Fowler, Social Services Secretary, announced this in the Commons last night. He said it emphasised the Government's determination to get maximum efficiency in the NHS and to strengthen it.

Six firms of accountants have been appointed for a trial period of three to five years to audit eight district health authorities. They will do their first audit for the coming financial year which ends in March 1983.

They will take over the work normally carried out by the audit directorate of the Department of Health and Social Security.

Mr Fowler said he agreed to this after the Institute of Chartered Accountants suggested commercial auditors could make a valuable contribution to the quality of the audit and "value for money" in the NHS.

He will be having further discussions soon at a meeting of regional health authority chairmen with a view to bringing in more measures for increased efficiency.

The health authorities and accountants taking part in the scheme are East Cumbria and South Cumbria, Robson Rhodes; West Cumbria, Neville Russell; Hammersmith and Fulham, Hounslow and Spelthorne, Armitage and Norton; Ealing, Coopers and Lybrand; Cornwall and Isles of Scilly, Ernst and Whinney, and Isle of Wight, Deloitte, Haskins and Sells.

The NHS has 51,000 acres but only about 4,000 acres are planned for disposal. "It is important that all health authorities should do as much as they can to rationalise the estate and realise its value," Mr Fowler said.

They had to apply a commercial approach to estate management.

The inquiry's terms of reference will be to ensure that underused and surplus land and property is identified and disposed of in ways creating the maximum benefit for the NHS.

The chairman will be Mr C. Davies, directorate of works operations, DHSS. Members are Mr Paul Draper, Imperial Foods; Mr B. D. Herbert, regional treasurer, East Anglian regional health authority; Mr D. B. Leggatt, area administrator, Surrey area health authority; Mr Idris Pearce, Richard Ellis Chartered Surveyors; Mr M. H. Smith, area works officer, Gateshead AHA; Mr W. A. Healey, regional liaison division, DHSS.

## Commons spy probe

THE POLICE are investigating the "very serious allegations" made by an IRA defector that he had a spy at the House of Commons, Mr Francis Pym, Leader of the House, told MPs yesterday.

His announcement follows the story in Wednesday's London Standard about John McKeever and his disillusionment with the provisional IRA. The newspaper said it had passed details to Scotland Yard just before publication.



# Tax and NI contribution 'will rise for most people'

By Ivor Owen

MOST WAGE EARNERS could find themselves paying more in income tax and National Insurance contributions from the autumn than in the current financial year, Sir Geoffrey Howe, the Chancellor, admitted in the Commons yesterday.

In question time exchanges, Labour leaders renewed their charge that in spite of benefits conferred by raising personal allowances in the Budget, most people will pay a higher proportion of their income in tax and National Insurance contributions in 1982-83.

The Chancellor accepted that at the beginning of the financial year in April pay packets would be reduced by the higher National Insurance contributions announced last December.

As soon as the budget changes took effect after April 26, however, income tax payments would come down.

For most families, Sir Geoffrey emphasised, the income tax reductions would be greater than extra insurance contributions.

There would be a net gain for married men earning up to £170 a week.

Sir Geoffrey acknowledged that as people secured wage increases they would be paying more in tax and National Insurance contributions.

Assuming earnings increased by 7½ per cent the proportion of income going in tax and National Insurance contributions would be somewhat higher than in 1981-82.

This would not be the case for those at the lowest and highest earning levels.

The Chancellor said families with children would benefit from the increases in child benefit and in one-parent benefit from November.

# Medium-term strategy stays, Howe stresses

By Ivor Owen

SIR GEOFFREY HOWE, the Chancellor, vigorously denied in the Commons yesterday that the Government's medium-term financial strategy has been abandoned.

Its apparent demise was welcomed by Mr Tim Eggar (C Enfield) who earlier in the Budget debate described it as a ramatic an significant change of policy.

He asked if the Chancellor had noticed the welcome given to abandonment of the strategy and the indication in the Budget that in future importance would be given to monetary policy in general rather than a particular form represented in the MTFS.

Sir Geoffrey replied that only one or two people seemed to share Mr Eggar's view.

He said: "I repeat—the MFTS has served and will continue to serve a most important purpose. That is why it is important to retain it."

The adjustment of the monetary targets announced in the Budget did not imply any relaxation of purpose.

The new target range "represented a realistic restatement of our determination to maintain a responsible monetary policy." Sir Geoffrey replied.

# Call for review of strategy on industry

Financial Times Reporter

THE GOVERNMENT was urged yesterday to abandon its noninterventionist stance on industry in a Conservative Bow Group pamphlet.

It called for a positive industrial strategy aimed at promoting change and shifting resources into growth industries of the future.

It was deeply pessimistic about industry's chances of competing in the future without a comprehensive review of industry policy.

Mr David Heathcoat Amory, the author, said that "a simple belief in entrepreneurial capitalism is not an adequate response to the industrial challenges that face Britain."

This is "doubly true when the present reality is a system of wasteful expedients, missed opportunities and duplicated efforts."

The need to modernise industrial Britain is to urgent the Government must use its concerted influence to promote change.

"Institutional, social and economic bariers render it impossible to rely solely upon free market forces," he said.

At present the Conservative Party "confused and indecisive" about industrial policy because it belives any interventon automatically will mean increased public expenditure.

In reality, Mr Heathcoat Amory said an industrial policy does not mean an increase in public spending. What is needed is a ("more purposeful and co-ordinated use of existing spending," such as happened in other successful countries like Japan and West Germany.

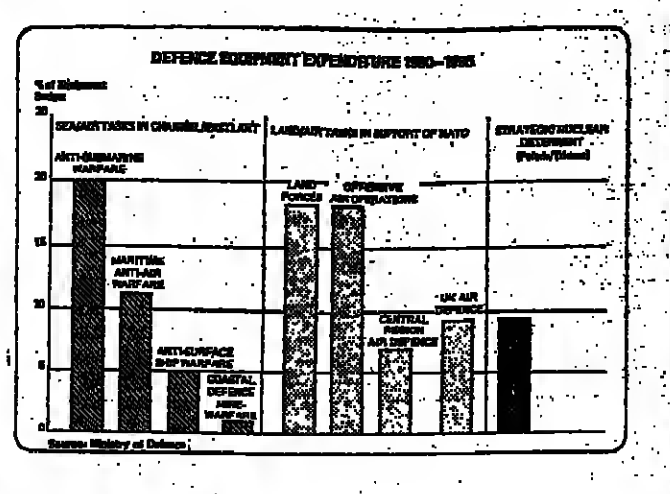
*Government and industry: a policy for the Conservative Party. £2.50.*

## Silkin commits next Labour government to cancel £7.5bn system

# Opposition unites against Trident

BY ELINOR GOODMAN, POLITICAL CORRESPONDENT

Silkin: "arms race"




Nott: "no other choice"

OPPOSITION parties united yesterday in condemning the Government's decision to buy the Trident II D5 missiles system. Mr John Silkin, Labour's defence spokesman, promised that a Labour government would cancel the system, and angrily accused the Government of escalating the arms race.

Mr David Steel, the Liberal leader, claimed that the Conservatives were alone in supporting Trident, and that the chances of cancellation were therefore high.

But Mr John Nott, Defence Secretary, got a good reception from his own back benches for his announcement that the Government intended to replace the existing Polaris force in the mid-1990s with Trident II.

Nearly all the Tory MPs who spoke congratulated him on his decision. Nevertheless, the questioning showed the concern of Conservative back bench defence experts about the impact of the purchase on Britain's conventional defences.

Sir Hugh Fraser, the Conservative MP for Stafford and Stone, said many Tories were convinced the decision must effect the country's conventional defence capability.

Answering criticism from Labour, Mr Nott claimed that cancelling the programme would mean that around £4,000m worth of jobs would be lost to British industry. He tried to deal with his own back benchers worried about the future of Britain's conventional forces by stressing that even in the peak year for expenditure Trident would account for less than 11½ per cent of Britain's defence budget.

He said the Government was convinced that no other choice but Trident would provide a credible nuclear deterrent into the year 2000 and beyond. No other use of Britain's resources could possibly contribute as much to our security and the deterrent strength of Nato as a whole, he claimed.

Announcing the deal to a crowded Commons, Mr Nott said the total cost over the procurement period would be £7,500m at 1981 prices against an estimated total defence budget over the same period of £250,000m.

This represents just over three per cent of the total budget, and means that Britain will be spending just under £500m a year on Trident against total defence spending of £14,000m.

He stressed that Trident expenditure over the next 15 years was far smaller than planned expenditure on equipment for Britain's major conventional capability, such as anti-submarine warfare.

The Labour Party is divided over some aspects of defence policy, but Mr Silkin got the support of all his back benchers when he announced Labour's commitment to cancel Trident.

To Tory jeers he insisted that Trident represented an escalation of the arms race, and claimed that it was a breach of the spirit of the non-proliferation treaty.

It would, he said, lead to a depletion of Britain's conventional forces and "destroy the security of these islands."

He said pressure should be put on the United States to attend the Geneva talks.

He challenged Mr Nott to say how many jobs the programme would create to offset the 50,000 lost through the "devastation" of Britain's conventional forces.

He also asked how the Secretary of State could be so certain about the cost, bearing in mind he was talking about 1981 prices.

Replying, Mr Nott insisted that it was untrue to say that Trident escalated the arms race. If there was escalation, he claimed, it came from the Soviet Union, which was introducing one new SS-20 missile every week.

He said the Trident programme was "no more than a modernisation of our existing force."

The Liberal leader, Mr David Steel, claimed that since no other political party accepted the programme, the likelihood of its cancellation was "very high indeed." He claimed that the real percantage cost of Trident would be 20 per cent of the capital procurement programme.

For the Social Democrats, Dr David Owen, the former Labour Foreign Secretary, said there were many people who, while committed to defending Britain, thought it wiser to spend the money on a re-motored Polaris, which could be kept until the 1990s.

A decision could then be taken on whether to put Cruise missiles in hunter-killer submarines.

Sir Anthony Buck, an officer of the Conservative back bench defence committee, welcomed the announcement, and stressed the contribution it would make to providing jobs in British industry.

Mr Alan Clark, another officer of the committee, also congratulated Mr Nott on the terms of the deal he had negotiated with the Americans. He said the price was lower than had been expected.

Labour MPs, however, attacked the deal, arguing that it would hit Britain's conventional forces. Mr Frank Allaun, the Labour MP for Salford East claimed that public opinion was now running strongly against Trident.

# Ban on MP prisoners attacked by rights group

By Our Belfast Correspondent

THE Northern Ireland Standing Advisory Committee on Human Rights has sharply criticised the Representation of the People Act 1981, which was introduced to prevent people who are serving prison sentences from standing for parliamentary election.

The Act was passed after Mr Bobby Sands, the IRA hunger striker, won a by-election in Fermanagh-South Tyrone. It was designed to stop terrorist groups using the electoral system to gain publicity.

The committee, set up in 1973 as a human rights watchdog, said in its annual report yesterday, that the Act was "offensive in principle and defective in effect."

It said the Act might well help the terrorist campaign against democracy.

"If the person is in prison, so be it; there he or she remains. However, the constituency has made its decision and we believe it to be wrong for parliament to deprive the people of their rights to take that decision" the report says.

The committee said the three weeks between the Bill receiving its First Reading and being given the Royal Assent was too short for proper debate on a matter of fundamental constitutional importance.

It also said the Act had failed in its purpose.

Although the Government successfully moved an amendment to extend the disqualification to people imprisoned in the Irish Republic, it was still possible for people in prison in other jurisdictions for offences relating to Northern Ireland, to stand for election.

**Advisory Commission on Human Rights, Seventh Annual Report, SO £2.65.**

# Tories 'may have to fight Ulster seats'

Financial Times Reporter

NORTHERN IRELAND'S 17 seats may be so important in the next parliament that the Conservatives may have to consider putting up candidates, Sir John Biggs-Davison, Tory MP for Epping Forest said yesterday.

Sir John, chairman of the Conservative Northern Ireland parliamentary committee, told a meeting in London that Mr Enoch Powell, a former Conservative minister who is now Official Unionist MP for South Down, was *suggesting* that electors should vote Labour as an anti-Common Market ploy.

The Social Democrats were the only British party recruiting in Ulster, but because of constituency boundary changes there would be 17 instead of only 12 Northern Ireland MPs in the next House of Commons "where the balance may well be delicate."

# Cabinet to consider Ulster assembly Bill

BY MARGARET VAN HATTEM, POLITICAL STAFF

THE CABINET is expected to consider within the next two weeks draft legislation for transferring power to a Northern Ireland assembly. But there is some doubt whether the legislation will be introduced during this session of parliament.

This would not necessarily delay plans to set up an elected assembly in the province this autumn. Mr James Prior, the Northern Ireland Secretary, appears determined to procced with elections as early as possible. But it could delay the transfer of power to the assembly.

The draft legislation, which would amend the 1973 Northern Ireland Constitution Act, together with an accompanying White Paper, is expected to be completed next week and could go to the Cabinet next Thursday or the following week.

Mr Prior hopes to present the legislation and White Paper to the Commons before Easter. Many of his Cabinet colleagues appear prepared to support his plans in principle and to co-operate, in pushing legislation through in this session of parliament if necessary. But it is felt that the Bill would not get high priority if it were felt it had little chance of success in the province or if he could make progress without it.

Underlying these suggestions is a growing feeling among Tory backbenchers that Mrs Thatcher remains fundamentally opposed to Mr Prior's plans. Although Mrs Thatcher herself has not entered the debate, her parliamentary private secretary, Mr Ian Gow, is understood to have been lobbying back benchers in recent weeks urging a more cautious approach.

Mr Gow, whose Unionist sympathies are no secret, is believed to have influenced a wider number of MPs than the small band of staunch Unionist supporters who control the Tory back bench committee on Ulster.

It is suggested that around 30 back benchers might rebel against legislation introduced during this session.

# PM says oil price fall no threat to Britoil share sale

BY IVOR OWEN

FALLING oil prices will not result in state-owned North Sea assets being sold on bargain basement terms, the Prime Minister assured the Commons yesterday.

She rejected demands by Mr Michael Foot, the Opposition leader, that the creation of Britoil—the private company which is to take over the production and exploration activities of the British National Oil Corporation—should be postponed.

At the same time she upheld the decision of Mr Nigel Lawson, the Energy Secretary, not to renew the appointment of Mr Clive Jenkins, leader of ASTMS, the white-collar union, as a part-time member of the board of BNOC.

Mr Foot reaffirmed Labour's strong opposition to the disposal of BNOC's assets on any terms and argued that the "error" would be compounded if the sale were to take place at a time of falling world oil prices.

This, he stressed, was the point which had been made by Mr Jenkins, whom the Energy Secretary had decided to remove from the BNOC board.

The Prime Minister replied: "Those interested in purchasing these assets are likely to take a longer-term view of their value than a short-term one based on the immediate prospects of the price for oil."

Mr Foot recalled the Energy Secretary's role in the sale of Amersham International, the state-owned radioactive materials producer, which Labour claimed resulted in a loss to the taxpayer of some £20m.

If Mrs Thatcher was so confident that the matter would be handled properly, why not leave Mr Jenkins on the BNOC board? he asked.

Repeating her view that purchasers of shares in Britoil would take a long-term view of their value, the Prime Minister stressed: "We believe in privatisation and this will be a good opportunity for people to acquire shares in BNOC."

She told Mr Gordon Wilson (SNP Dundee East): "We believe that public ownership is better expressed by having shares genuinely in the hands of individual men and women and not in the hands of the state.

"In particular, it gives a chance to all those who work in BNOC to acquire a stake."

## Tory election win odds shortened

LADBROKES have changed their odds for the Tories to win the next general election following the Budget. The prices are: Tories 6—5 (from 11—8), SDP-Liberal Alliance 7—4 (13—8), Labour 9—4 (2—1).

# Labour backs anti-Khomeini movement

By Terry Povey

**THE International Committee of the Labour Party has agreed to give its backing to the campaign to overthrow the Islamic fundamentalist regime of Ayatollah Khomeini in Iran.**

**The committee gave its support to the radical National Resistance Council, whose guerrilla members are said by the regime to have killed more than 1,000 of its officials.**

**The NRC was formed late last summer by fugitive ex-president Abolhassan Bani-sadr and Mr Massoud Rajavi, the leader of the principle guerrilla opposition group, the Peoples Mojahedin.**

**With its headquarters now in Paris the NRC has attracted radical non-communist suport both from within Iran and outside.**

**According to Mr Rajavi 8,000 suporters of the NRC have been executed in Iran's prisons since the violent campaign started in June last year.**

**In a statement the committee makes clear its desire for wide support for the NRC in the "belief that only through the widest possible unity will the Khomeini regime be defeated."**

**Britain maintains a foreign interest section in Tehran under Swedish protection.**

# Eight candidates to fight by-election at Hillhead

BY MARK MEREDITH, SCOTTISH CORRESPONDENT

EIGHT CANDIDATES submitted their nomination papers yesterday for the Glasgow Hillhead by-election caused by the death of Sir Thomas Galbraith, Conservative MP.

Voting among the 40,000 electorate is on March 25.

One of the candidates is a second "Roy Jenkins," who has changed his name by deedpoll and is from West Yorkshire. He claimed to belong to the Social Democratic Party.

The better-known Roy Jenkins; Social Democratic/Liberal Alliance candidate, planned to protest.

The other candidates were Gerald Malone, Conservative, David Wiseman, Labour; George Leslie, Scottish National Party; Nicolette Ann Carlaw, Glasgow Ecology Party; Pastor Jack Glass, Protestant Crusade against Papal Visits, and William George Boaks, Public Safety Democratic Monarchist White Residents.

On the campaign's fourth day, the candidates were recruiting support. Mr Wiseman was accompanied by several Labour MPs, Mr Jenkins was joined by Mrs Shirley Williams on a visit to Hillhead shopping centres.

Mr Malone went to a tower block with Mr Teddy Taylor, Conservative MP and lined up Mr Edward Heath, former Prime Minister, to address a meeting next week.

# Next week in parliament

COMMONS

**Monday:** End of Budget debate; Prevention of Terrorism Order.

**Tuesday:** Consolidated Fund Bill debates on various subjects.

**Wednesday:** Debates on cuts in higher education in Scotland, and on Health Service charges for overseas visitors; Textile Industry Orders.

**Thursday:** Social Security and Housing Benefits Bill, remaining stages.

**Friday:** private members' motions.

LORDS

**Monday:** County of Lancashire Bill, Second Reading; Travel Concessions (London) Bill, Committee; Local Government (Miscellaneous Provisions) Bill, Committee; Civil Aviation (Amendment) Bill, Second Reading.

**Tuesday:** Legal Aid Bill, Committee; Civic Government (Scotland) Bill, Third Reading; Salmon Fisheries (Protection) (s) Bill, Committee; Deer (Amendment)(s) Bill, Committee; short debate on drug taking by the young.

**Wednesday:** debate on industrial growth and unemployment.

**Thursday:** Canada Bill, Secood Reading.

# Labour reaffirms its opposition to Reagan address

BY MARGARET VAN HATTEM, POLITICAL STAFF

THE ROW over President Reagan's proposed address at Westminster when he visits Britain in June intensified yesterday as Labour reaffirmed its opposition to the plan.

The Government would like President Reagan to address members of both Houses of Parliament in Westminster Hall, a rare occurrence which is regarded as an honour conferred only on outstanding international statesmen.

Mr Michael Foot, the Labour leader, yesterday told the Prime Minister, Mrs Margaret Thatcher, that the Labour Party would oppose any such invitation to the U.S. President.

Mr Foot and Mr Denis Healey, the Labour deputy leader, met Mrs Thatcher and Lord Carrington, the Foreign Secretary, for 20 minutes in an attempt to force the Government to downgrade the invitation.

The Labour Party might be prepared not to embarrass the Government by boycotting the occasion if it were held in a less august part of the Palace of Westminster.

A face-saving compromise has been suggested, in which President Reagan would be invited to speak in the Royal Gallery. But the party would oppose any move to adjourn both Houses of Parliament for the occasion.

It is not yet clear whether Mrs Thatcher will be prepared to go along with this. Whereas some Cabinet members appear to find the Royal Gallery acceptable as a venue, indications are that Mrs Thatcher is determined not to be thwarted by the Opposition.

The row blew up earlier this week when the White House made a premature announcement of the invitation. Mr Foot, who had not been consulted in advance and who first learned of it from press reports, was reported to be furious over the apparent discourtesy to the Opposition.

On Wednesday night the shadow Cabinet endorsed Mr Foot's opposition to the invitation, and members expressed anger over the Government's perceived determination to force their acquiescence.

However, while strong noises of deprecation of President Reagan have been emanating from Labour circles throughout the week, there is also evidence of some delight over the White House's diplomatic gaff, which has afforded the Opposition an opportunity to embarrass the Government.

While Labour would not wish to be held responsible for snubbing the U.S. President, it appears determined to inflict maximum discomfort on the Government over the affair.

# TECHNOLOGY

EDITED BY ALAN CANE

# Secrets of the transputer

BY JASON CRISP

WHAT IS a transputer? It is, we are told, a revolutionary type of new microprocessor which is being developed by Inmos, the British state-backed semiconductor company.

The concept of a transputer has been publicised by Professor Iann Barron, one of the co-founders of Inmos, for a number of years. At a very specialised conference for the leading designers of the world's most sophisticated and complicated microchips held at the Massachusetts Institute of Technology (MIT) earlier this year, Professor Barron gave the participants a glimpse of how Inmos planned to turn concept into reality.

The glimpse was of little more than what was once known as a well turned ankle. But the participants appeared to think it was pretty sexy even if more than one claimed not to understand what Barron was talking about.

The transputer is a crucial element in Inmos's survival. *At present it only makes* memory chips for a market where prices have been slashed way beyond any reasonable expectation when Inmos's business plans were first drawn up.

Ashley Ashwood

Inmos architects Richard Petritz (chairman) and Iann Barron.

## Survival

If the company is to attract private finance, which it must if it is to survive as an independent company, it will have to persuade investors that the *brilliant* concept of the transputer will work, will be accepted and will make money. The prospects for investing in a company restricted to memory chips at a time when many semiconductor companies are reducing their dependence on them for profits is not a good one.

The transputer is a computer on a chip. The word itself is a combination of transistor and computer and is derived from the Latin trans meaning cross and putare to reckon. The transputer will have a very large amount of memory, a very small but powerful processor and a high ability to accept and send large amounts of information on and off the chip, Inmos says. Inmos' claims that advantage of the transputer will be the ease with which it can be connected to other chips performing other functions. This means reduced design times, and therefore shorter lead times for new products, and lower manufacturing costs because there will be less microelectronics devoted to the internal communications within a piece of equipment.

A word processor, for example, has a number of chips performing specific functions around the microprocessor. There is, for example a chip controlling the video display, another, the floppy disc memory and another receiving instructions from the keyboard.

Inmos claims that the transputer will take away most of the technical pain of actually linking up all these different components—which all may be operating at different speeds. And two or more transputers can be connected together just by wiring them together, Inmos says.

Other applications to which this chip is particularly suited are telecommunications, data communications and speech synthesis, Barron says. Now conventional microprocessors are already used extensively in these devices. What advantage has the transputer?

For years, Barron has bemoaned the difficulty of connecting microprocessors to the real world. The transputer is designed to solve this problem making transputer-based equipment easier and cheaper to develop than with a comparable microprocessor.

The emphasis in the transputer is on the flow of information. In a conventional computer, Barron explains, the amount of input and output of information is small relative to the actual computation. In microprocessor applications it is the flow of information which becomes important compared with the computation.

An example might be a control system for a car engine. The microprocessor *is constantly receiving large amounts of information such as piston position, inlet temperature,* air pressure and so on and performs fairly simple computations before transmitting information as instructions for the engine such as the ignition spark.

Another is a video display terminal or television where Barron says, one might *want* to clean up the picture or change colours. "There the computation is small but there is an enormous amount of information flowing across the chip."

Inmos's argument *is that* there is little commercial sense in trying to produce a better microprocessor which is only an incremental improvement on the existing generation of products. Only a very small number of microprocessors are sold in large volumes and these have become de facto standards and their purchasers have considerable investment in *the systems needed to operate* them.

The answer, according to Barron, is to develop a product which is so radically different that it gives the customer enough advantages to lure them away from current systems in which they have a high investment.

His claim is that very large scale integration (VLSI) microchips need to leap to a new level of abstraction.

The comparison he makes is the difference between designing electrical circuits after the transistor was invented when the rules were governed by electrical laws compared with the design equations needed to produce the logic gates which can be built within integrated circuits. The transputer requires a similar jump in level of abstraction, claims Barron.

## Scepticism

Unsurprisingly there is scepticism among U.S. semiconductor manufacturers. The Inmos design team at Bristol, where it is developing the transputer, and Dr Barron himself are highly thought of and attract considerable interest from the industry.

Inmos will start talking to potential customers next year *but the transputer will not be* available until 1984.

# Listen to this 30% saving in energy

SINCE CHRISTMAS the room temperature in a Wolverhampton school has been controlled by a listening device that senses when children (in daytime) or adults (at night classes) are there. The energy saving has been 30 per cent.

The acoustic device works in conjunction with a normal thermostat and can be set to determine a lower and upper level. Any sound above a predetermined threshold level, such as a pen being put on a desk, or a door handle being turned, switches the heating on.

Although the ATS unit was working during some of the worst weather, no one complained. The test was made on a limited scale so that the boilers were operating normally—in this instance 12 to 14 hours a day. The estimate is that the cost of an installation—the units cost less than £100—should be recoverable in a single season.

If only a single sound is heard there is a five-minute delay before the heating is actuated—and if there is no other sound it reverts to the threshold setting.

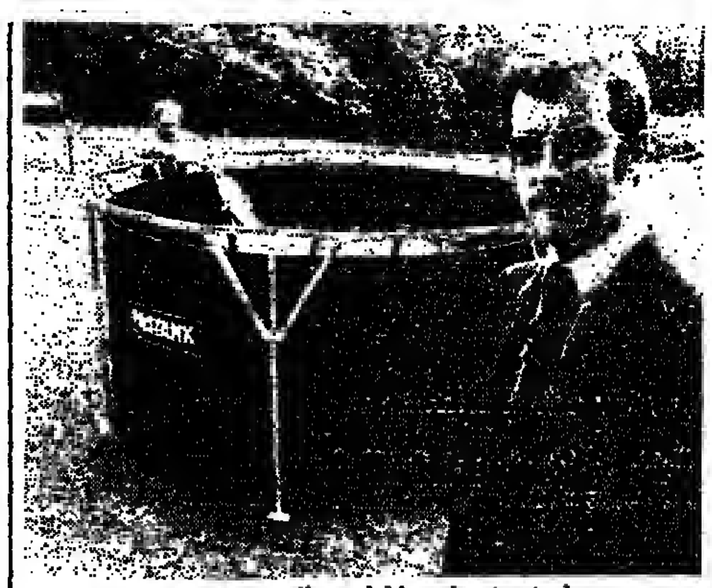
The acoustic device is a miniature microphone linked to discriminatory circuitry. In an assembly hall more than one is likely to be needed for overall control, though a single unit would be sufficient to control the threshold temperature.

At the moment ATS is being applied only to blown air systems, for which it controls the fan.

Further information from Allen-Martin Electronics, Marlborough Works, Thompson Avenue, Wolverhampton (0902 58942) which can also offer a listening light switch on the same principle.

# Fireproof coating by Ensecote

ENSECOTE GROUP has been licensed to apply Firec fireproofing systems. An all-weather coating authorised for certain nuclear applications, Firec is said to have taken a decade to develop. More on 0244 312360.



Seamus Connolly and his polyester tank.

# How Seamus Connolly stores 2,000 gallons

BY RAYMOND SNODDY

WHEN HE worked as a civil engineer, Mr Seamus Connolly solved the problem of providing water for sewage construction projects in remote mountainous areas of Northern Ireland by hauling an old steam engine boiler to the site.

Apart from the fact that he needed a crane and steam engine boilers are now in short supply he always thought there had to be a better method of storing water.

Yet it was only when he was designing a baby bouncer for his children and looking at the latest man-made fabrics that the solution occurred to him.

"I could hardly believe the specifications. The strength of the material compared with the stresses in reinforced concrete design," he said.

Working at first in his garage at weekends he designed, and is now manufacturing, a 2,000 gallon capacity polyester fabric water tank supported by a light aluminium frame. Seamus Connolly says it can be erected in four minutes without tools. He had to prove it last year when his idea was the Northern Ireland finalist in a small business competition run by the Bank of Ireland.

He believes his "Fastank" will be useful not only for water storage in remote areas of the UK but more importantly in disaster relief and the storage of fresh water in the drier areas of the Third World.

Oxfam has bought a tank for evaluation; there have been orders from the White Fathers missionary group in Tanzania.

According to a World Health Organisation survey, nearly one third of the world's population does not have an adequate water supply. Mr Connolly is hoping for growing export orders during the "International Drinking Water Supply and Sanitation Decade" which has just begun.

Mr. Connolly has patented two aspects of the design—the method of welding the fabric so that the welds are as strong as the body of the fabric and the resilient support system which, he says, distributes the load uniformly in the fabric and avoids stress concentrations. More on 08494 68686.

# Telex preparation system

HI-TEX 2800 from Merck and Hollander, Bristol, allows anyone to prepare a telex message on the display screen at high speed and with complete accuracy.

The machine produces telex tapes either in plain language or in coded form. It operates independently from telex transmission equipment and can be located in a secure area designated for the preparation of a company's confidential reports and messages.

More on 0272 272808.



# Facsimile transmitter in a briefcase

THE LATEST facsimile transmitter from Muirhead, the K-570, weighs only 25 lb and has an integral carrying case for convenient transportation.

Conforming to CCITT standards, the unit operates in amplitude or frequency modulation modes and is equipped with selective filters to allow the transmission of colour separations. It also has two adjustable selectors that allow either the complete drum-mounted picture to be sent, or a selected area of it.

Drum speeds are 60, 120 and 240 revs/min and there are three models available offering a choice of picture size.

A video baseband output is provided for connection to a computer system and for digital picture transmission either direct, or from a computer store. More on 01-850 4888.

# General Manager

## General Insurance

Total Package c.£40,000 + bonus

The ambitious and expanding London branch of a European Insurance group wishes to appoint a General Manager to direct and control the operation through a period of rapid growth.

The successful candidate will have an underwriting background but will subsequently have demonstrated marketing and managerial flair at a senior level. An extensive range of City contacts is essential.

Remuneration package negotiable as quoted, plus an attractive bonus linked to results.

*Please write in confidence, quoting reference 2569/L, to N. P. Halsey, 165 Queen Victoria Street, Blackfriars, London EC4V 3PD. Alternatively, telephone him on 01-236 8000 Ext. 2549.*

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*Executive Selection Division*

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Our clients are an expanding group of companies in the automotive, travel, freight and fast food industries. Reporting to the General Manager the successful candidate will manage a sizeable departmeot with qualified accountants reportiog into him on financial and management accounting. Prime tasks will be the Treasury function, local and international bank negotiations and the creation of MIS prior to the iostallation of a new computer. Applicants will be ideally 30-35 years, qualified accountants with management experience. Preference will be given to those whose backgrounds include a Middle East posting but this is not essential. The positioo carries married status and the company offers real career prospects.

*N.P.S. Lilley, Ref: 22324/FT.* Caodidates should telephone in confidence for a Persooal History Form 01-734 6852, *Sutherland House, 5/6 Argyll Street,* LONDON, *W1E 6EZ.*

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### Senior Sales Executive

c. £25,000 p.a. Basic Salary + attractive package

If you are a mature Sales Executive with a minimum of 10 years' experience of the North American and Canadian sector and regard yourself as well versed in all aspects of the sales environment, then our Client will certainly be interested in meeting you. The Company (being a Canadian Stockbroking firm) are expanding their London based operation to promote North American and Canadian Stocks and Fixed Interest instruments to London and Continental Institutions. A proven track record, together with institutional client contacts or Retail accounts, would be distinctly advantageous.

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Back-up Clerk c. £8,000 p.a. + bonus

A London Finance Brokerage seeks an experienced FX Dealer to broke for them on behalf of their mainly Middle Eastern client base. As our Client deals extensively on both the IMM and Comex, a knowledge of Bullion dealing would be useful. In addition to this position, they would also like to meet a Back-Up Clerk to assist the Dealer.

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c. £14,000 p.a. + bonus

A city based international bank are seeking an experienced Trader to make a market for them in YEN. The ideal candidate will be in his/her early mid-20's with a proven record of achievement to date.

### Eurobond Sales/Trader—Floaters

c. £15,000 p.a. + bonus

A large and well regarded Merchant Bank would like to meet an experienced Sales/Trader who has covered the FRN market in particular.

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Sought by an American Investment Bank to make a market for them in Dollar Straights. The successful applicant will currently be trading straights, either running a book or acting under instructions.

In addition to these positions, we have a variety of positions in Eurobonds offering realistic career opportunities with major market leaders. All enquiries will be treated with discretion.

For further details of these positions, please telephone Paul Boucher on the number below (or 01-743 9991 evenings/weekends).

CHARTERHOUSE APPOINTMENTS 01-481 3188
Europe House, World Trade Centre, London E1

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# CHIEF STATISTICIAN

The National Economic Development Council is a tripartite body concerned with the economic performance of the UK. The National Economic Development Office provides the secretariat and support staff for the Council, Industry Economic Development Committees and Sector Working Parties.

The Chief Statistician, who reports directly to the Economic Director, is responsible for the organisation and delivery of statistical services to the whole of the NEDO organisation, including operation and development of EDP systems for data storage, analysis and research. He must ensure that the Statistics Section anticipates and develops new statistical sources and services as required, and in addition must maintain and develop contacts between NEDO and statistical interests in government, industry, research agencies and academic institutions. Effective management of the staff of 15 and all associated facilities is an essential part of the responsibility of the post. Briefing for the Directors of NEDO on statistical matters is also frequently required.

Ideally the successful applicant will, in addition to being a fully qualified statistician, have considerable experience with a wide range of statistical sources, a proven record of effective management and familiarity with EDP. Competence in the economics/econometrics field would also be advantageous.

The starting salary is £18,772 rising to £21,982 including London Weighting.

NEDO will also consider applications from those wishing to work with the Office for a specific period eg. on secondment or while on leave of absence from their parent organisation. Requests for application forms to be returned not later than 27th March 1982 should be made to:

Miss C. Humphreys, Personnel Section, National Economic Development Office, Millbank Tower, Millbank, London SW1P 4QX.

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# M.I.S. Development Manager

South East c. £17,000 + car

The company is a UK market leader in providing specialist industrial services. It has an excellent growth record with ambitious plans for future development and, as a consequence, its information needs have outgrown current systems.

The job is to define the future information requirements of line management and subsequently produce both strategic and detailed proposals for Board agreement. Following this, the task will be to control a cost-effective implementation of the agreed systems. The position reports to the Financial Director. In addition, there will be a close working relationship with line managers involved in all aspects of the business. This will provide experience which could aid a later transition to a line role.

Candidates should be graduates with developed analytical skills, ideally supported by an accountancy or business school qualification. They must have extensive experience of M.I.S. development for multi-location organisations, possibly gained through management consultancy. Personal skills must include a disciplined approach to self-organisation and the ability to communicate effectively at all levels. A preparedness to travel is essential. Age is indicated as 28–35.

Please reply in confidence giving concise career and personal details and quoting Ref. ER 534/FT to P. J. Williamson, Executive Selection.

AMS Arthur Young Management Services
Rolls House, 7 Rolls Buildings
Fetter Lane, London EC4A 1NH

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# Senior Accounting Positions

**Saudi Arabia** **Attractive Package**

Our client is a well-respected Saudi Arabian Company holding a number of major dealerships in heavy plant and equipment, trucks, etc.

Recent developments concerned with the Company's growth, have created some senior financial positions to assist in this exciting growth.

## Treasurer

a fully qualified accountant with good banking and cash management experience required to develop and implement company policy in these areas.

## Regional Finance and Accounting Manager

a fully qualified accountant required to implement and maintain approved financial policies. At least 5 years' management accounting at management level is required.

## Divisional Controller

a fully qualified accountant required to operate company financial policy with a product group. At least 5 years' management accounting experience is required.

In all positions preference will be given to Arabic speakers and some Middle East experience would be a distinct advantage.

Allied to a good basic salary the benefits package is consistent with a forward-thinking organisation.

*Applications should be marked 'Confidential' and include a covering note indicating any organisation to which they should not be forwarded. Please quote reference SAP/4937 and address applications to: Mr. P.N. Gaskin,*

Coplan
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21-22 POLAND STREET LONDON W1V 3DD

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# Assistant Director

## Commodity Operations

**Leading International Broker** **to £17,500 + bonus, etc.**

Our client is the London arm of one of the world's leading broking houses, with an outstanding reputation for its trading skills in the spot and futures markets.

We have been retained to recruit the Assistant Director – Commodity Operations, who will control the Treasury and Foreign Exchange, Settlements, Margins, Computing and Commodity Accounting Departments. You will establish and exercise proper decision-making on such matters as credit limits, collection and margin policies, currency management, etc. – in short, all "backroom" activities with the exception of Personnel, General Administration and Statutory Accounting.

Preferably in your '30s, you must have had recent relevant experience in a similar organisation and be a positive and ambitious manager in the fullest sense. Promotion prospects are excellent.

Please send a detailed c.v., including contact telephone numbers, in strict confidence to Peter Wilson, F.C.A., at Management Appointments Limited (Recruitment Consultants), Albemarle House, 1 Albemarle Street, London W1X 3HF, Tel: (01) 499 4879.

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Percy COUTTS & CO. LTD
25 Whitehall, London SW1A 2BT.

Enquire also how these redeployment services can be included in your severance terms.

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# Corporate Finance

Our Corporate Advisory Division continues to expand and we are seeking two additional executives with the potential to make a significant contribution to our business.

Applicants aged between 24 and 30 should be qualified accountants or lawyers with a City firm or alternatively have experience in Corporate Finance with a merchant bank.

Successful applicants will be offered an attractive salary and benefits package coupled with excellent prospects.

Applications, with a concise curriculum vitae, should be sent in strictest confidence to:

S R Metcalf, Director,
County Bank Limited, 11 Old Broad Street,
London EC2N 1BB

COUNTY BANK

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# JAMES CAPEL & Co.

## Exceptional Opportunity in U.K. Equities

We are looking for an additional executive for our U.K. Institutional Equity Department, who is enthusiastic to join a friendly and professional marketing team which works closely with a Research Department of the highest calibre.

The successful candidate is likely to be a graduate in his or her twenties, and should have had some experience of the stock market gained either with a broker or investing institution.

Emoluments will be very competitive.

If you think you might be interested, please ring or write in confidence to:

Peter Quinnen
JAMES CAPEL & CO.
Winchester House, 100 Old Broad Street
London EC2N 1BQ
Tel: 01-588 6010

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# Finance Manager

## London

## Excellent salary + car

A high calibre financial analyst is sought by one of Britain's largest international industrial companies. As a member of the corporate finance team he or she will be responsible for long-range financial forecasts, studies on financial structuring, investment and divestment proposals, and research into matters of financial policy.

The successful candidate, aged 30-35, is likely to have had experience in a demanding business environment and must have the personal skills to make recommendations to management at Chief Executive and Board level. Applicants should have a good honours degree, preferably in a numerate subject. A formal accounting qualification or an MBA is essential.

Salary is excellent. A car and usual large company benefits go with this position.

Please demonstrate your relevance briefly and in confidence, quoting reference 407/FT to Patrick Mills, John Courtis and Partners, 78 Wigmore Street, London W1H 9DQ.

**John Courtis and Partners**

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# GROUP MANAGEMENT ACCOUNTANT

Kent c£12,500 + car

Our client is a highly successful public company and a leader in the UK and international holiday business.

This position has been created to assist in the control of expansion in a volatile and competitive market. Specific responsibility is for the preparation, presentation and analysis of all management accounting information involving close liaison with financial and operating departments. The role calls for considerable initiative and the ability to respond quickly to changing situations.

Applicants should be qualified accountants whose experience is relevant to a fast moving consumer oriented operation requiring concise reporting and precise control.

Please address brief personal and career details, in confidence, to Douglas G Mizon *(ref FT162M) at the address below.*

Ernst & Whinney Management Consultants
57 Chiswell Street, London EC1Y 4SY.

# International Banking Systems

GEISCO is one of the world's leading suppliers of computer services and software to international banks. Our Mark III Computer Network spans 30 countries across five continents and is ideally suited to international banking business requirements. Just as foreign exchange and money markets continue worldwide around the clock, so does GEISCO's Mark III service.

We are presently expanding our International Banking Services team on a worldwide basis, resulting in the following senior opportunities for international banking professionals.

## European Marketing Manager

At present you will probably be working in a marketing or sales management role with a supplier of international banking systems or services. Reporting to the European Marketing Manager you will be based in Kingston although extensive travel in both Europe and the USA will be involved. This is a position that will have high visibility within the company and demands considerable marketing flair, initiative and drive. You will probably hold a professional banking qualification together with some experience of international operations gained in a major bank.

## U.K. Account Consultant

Based in our London offices you will be maintaining our front line customer service and support. Your background in the international banking environment will be crucial to successful liaison with clients at all levels. You will be handling a number of U.K. and international banking customers, responsible for both their general management and business development. You'll be aged 25 plus, qualified to at least AIB or equivalent level and possess a sound understanding of international banking operations. Experience in foreign exchange would be particularly desirable. Opportunities for future development, perhaps internationally, are literally what you make of them.

## Banking Systems Consultant

You will have 3–4 years' experience in systems design and/or implementation (preferably IBM) gained either in a software house or bank. Additionally you will have a sound understanding of banking systems operations coupled with a thorough technical knowledge. You will be analysing hardware and software requirements and subsequently modifying and up-dating existing packages.

In all cases salaries are unlikely to prove a barrier to the right candidates and an excellent benefits package includes a company car and relocation assistance where appropriate.

For an introduction to these positive career positions, initially contact, Neil Macmillan as adviser to the company, on (0992) 552552, alternatively send full personal and career details to him at Macmillan Woolf Personnel Consultants, The Old Vaults, Parliament Square, Hertford SG14 1PU

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# Managing Director

## Financial Futures

ManTrad Limited is a company which has recently been established by The English Association Group PLC, E D & F Man Limited, Anderson Man Limited and Tradition (London Brokers) Limited. ManTrad will act as a broker in financial futures on LIFFE and the Chicago Exchanges.

The board of ManTrad now wishes to appoint a Managing Director. Aged 35-45, candidates will report to the board based in London and have the ability to direct a company which will be small in numbers of employees but large and international in its transactions. The successful candidate will probably come from a bank, a discount house or a money broker and must have experience in the financial markets comprising deposits, money market instruments or foreign exchange.

The remuneration package, which will reflect the importance of the position and the calibre of the individual required, is fully open to negotiation. There will be the usual fringe benefits including a profit-related bonus.

*Please write in confidence to Nigel Halsey, quoting ref. 4103/L, at 165 Queen Victoria Street, Blackfriars, London, EC4V 3PD. Alternatively, telephone him on 01-236 8000 Ext. 2549.*

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*Executive Selection Division*

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**MANAGING DIRECTOR**

A Public Industrial Chemical Company requires a Managing Director Designate for a newly acquired subsidiary in the high-volume janitorial, cleaning and maintenance chemical product area. Previous experience in selling to institutions, public authorities, government bodies, nationalised industries, catering industries and own-label areas is essential. The ideal candidate will have the ability to negotiate with customers at the highest levels. Salary will be negotiable.

Please send full c.v. to Box A7783, Financial Times 10 Cannon Street, EC4P 4BY

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| Senior Interbank Brokers | £ neg |
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| Supervisor M.T.'s + T.T.'s (25-30) | to £12,000 |
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Phone Mike Pope or David Patten

1/2 Gracechurch Street, EC3

01-626 5191

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# Consumer Marketing Professionals

## General Management opportunity with U.B. Age 28-35

U.B. (Biscuits) Ltd. is at the centre of a rapidly expanding group whose brand names include McVitie's, K.P., Wimpy and Terry's. With planned growth over the next few years, this developing business will need new people at senior management level.

U.B. (Biscuits) requires a Business Development Controller to manage brand and new category development. They will only appoint someone who is seen to have general management potential and the ability to become a Director within this major business. The financial rewards for such an appointment would be considerable.

If you are interested and would like to take this further, contact John Stork & Partners, 10 Haymarket, London SW1Y 4BP quoting ref. STNC. John Stork & Partners are international management consultants and can review the opportunity with you in complete confidence. You must be graduate-ability with an all-round grasp of business based primarily on an excellent record of success in f.m.c.g. marketing. Grocery, food and N.P.D. experience would be an advantage. The appointment is open to both men and women.

UB United Biscuits

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# TWO STRATEGIC ANALYSTS

## International scope

This quoted British group with extensive UK and overseas interests has achieved conspicuous profit growth both internally and by acquisition. The corporate headquarters, located in the Southern Home Counties, includes a high calibre financial, economic and business staff intimately involved in the control and creative decision making of the group.

This powerful team, reporting at board level, appraise business situations and work on a wide variety of projects, including acquisitions, in markets both at home and overseas. Their task is to play a practical role in group planning and development, and to assist in the implementation of resulting decisions.

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The second vacancy offers an opportunity for an outstanding younger person, possibly a recent graduate or with some business experience, wishing to develop a career in this area.

Both vacancies provide substantial career development prospects in a financial or marketing oriented environment, from which recent promotions have created the current opportunities.

All candidates must have very good degrees (MBA perhaps) and be numerate, articulate and be able to make high level written and verbal presentations, yet at the same time exhibit common sense and a practical approach to the analysis and solution of problems.

Attractive and flexible salaries are negotiable and the normal large group benefits include comprehensive relocation assistance.

Please send a full career history, in total confidence to:—
Giles Foy, quoting reference 791/FT,
Crailfern Corporate Consultants Limited,
2 Berkeley Square, London W1X 5HG. Tel: 01-629 0682.

CRAILFERN CORPORATE CONSULTANTS

Executive Selection Division

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## Business Development Representative - Europe

ROYWEST TRUST CORPORATION LIMITED

Due to continued expansion, the ROYWEST TRUST GROUP wishes to engage an experienced Business Development Representative capable of identifying sources of new business in respect of the international financial services offered by the Group.

Applicants should be fluent in English and German with some knowledge of French or Italian. A minimum of five to six years' experience in the marketing of Trust, Banking and Investment products will be required.

The post to be filled offers an attractive compensation and benefit package with pension plan and medical, life and salary continuance insurance coverage.

Preliminary interviews will be carried out in Europe and interested applicants should forward a full resumé of education and experience, which will be treated in the strictest confidence, to:

**The Vice-President Europe, RoyWest Trust PO Box 249. St Helier, Jersey, Channel Islands**

*The RoyWest Group is associated with National Westminster Bank Limited and The Royal Bank of Canada*

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# Executive Selection Consultants

*up to £15,000*

Price Waterhouse Associates offer opportunities in their London office for experienced recruitment specialists to supplement their expanding Human Resources consultancy team.

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Applications are invited from candidates with:

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- experience in the use of selection techniques
- a degree and/or membership of the Institute of Personnel Management.

Age is not a critical factor, but it is unlikely that candidates aged less than 30 will have the necessary experience to discharge the responsibilities envisaged. Opportunities for advancement within Price Waterhouse Associates are good and are limited solely by the individuals own achievements. A continuous training programme is provided to assist in personal development.

Candidates, male or female, should write for a personal history form to Michael R. Andrews, Executive Selection Division, Southwark Towers, 32 London Bridge Street, London SE1 9SY quoting reference MCS/7058 or by telephoning Michael Andrews Marlborough 870363 between 8 p.m./10 p.m., daily.

Price Waterhouse Associates

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# Banking Personnel

*The premier name in Banking Appointments.*

**ASSISTANT / MANAGER SHIPPING LOANS ADMIN**

**Age 28-35 c. £11,000**

In seeking to fill the above position, our client a major International bank, places particular emphasis on the need to recruit a shipping loans specialist who not only possesses an in-depth knowledge of all aspects of the administration and processing of loans documentation, but also the ability to lead and motivate a small team under the overall supervision of the departmental manager. The successful candidate will be acutely aware of the need to protect the Bank's position as a secured lender, with particular regard to insurance policies. The position offers junior management status initially, with a comprehensive benefits package and excellent career prospects for the right person.

*In order to discuss this position at greater length please contact, in confidence, MARK STEVENS, General Manager 01-588 0781.*

41/42 London Wall, London EC2. Tel: 01-588 0781

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# BANKING

Commercial Bank of Wales PLC is an expanding regionally based Recognised Bank providing a wide range of banking services.

Due to continued growth of business we are now seeking two men or women of high calibre with relevant experience in domestic and overseas banking. Successful candidates should exhibit good administrative, marketing and communications skills.

Remuneration will be at levels which will be attractive to suitably qualified candidates—preferably A.I.B's—together with benefits which include a company car and concessionary mortgage facilities.

## Manager — Branch Office

A sound banking background with first hand experience of personal and corporate lending, together with detailed knowledge of the law and practice relating to domestic banking in the United Kingdom. Candidates will be required to assume full operational responsibility for one or more Branch offices.

Applications for this position are invited from persons aged 29-40 with a minimum of ten years experience.

## Manager — Overseas Department

A detailed knowledge of commercial foreign business; in particular Documentary Letters of Credit, Collections, Bonds and Guarantees. Candidates will be required to assume full responsibility for the administration and development of the Bank's commercial foreign department in Cardiff.

Applications for this position are invited from persons aged 34-40 with a minimum of ten years experience.

Written applications, including a curriculum vitae should be sent to:— N. Thornton, Director and General Manager, Commercial Bank of Wales PLC, 114-116 St Mary Street, Cardiff CF1 1XJ.

BANC MASNACHOL CYMRU

**Commercial Bank of Wales**

PUBLIC LIMITED COMPANY

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# Institutional Sales

Gilbert Eliott & Co., a wholly institutional firm of stockbrokers, seeks a young salesperson with a particular interest in retailing for their fast-expanding equity department.

The successful candidate (25-35) will already have several years' experience servicing institutional clients and be self-motivated. He, or she, will be well rewarded and have extremely good prospects in a progressive and professional firm.

*Apply in complete confidence to:*

Peter Mills (Head of Equity Department)
GILBERT ELIOTT & CO.
381, Salisbury House, London Wall
London EC2M 5SB
(Telephone No. 01-628 6782)

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# BUSINESS DEVELOPMENT MANAGER

## £20–23,000

Our client, a London based International bank, seek a banker with a proven track record in business development.

Applicants should be aged in their late twenties to late thirties. While a formal business/banking qualification is desirable, fluency in both French and English is essential.

The position entails marketing the services of the Bank, to new and existing clients, in Africa, France and the U.K.

To achieve the above, experience should be as follows:—

* Experience of business development in French speaking Africa.
* Credit and trade related transactions including letters of credit and ECGD.
* The ability to formulate and implement a business development strategy in conjunction with senior management.

A comprehensive range of benefits apply, including a company car and low cost mortgage.

*Please telephone or send detailed C.V. to Brian Gooch or Diana Warner*

**Jonathan Wren** BANK RECRUITMENT CONSULTANTS 170 Bishopsgate · London EC2M 4LX · 01 623 1266

# Eurobond Sales

**Samuel Montagu** is continuing to expand its successful International Capital Markets Division and now seeks an individual to assist in its placement activities.

Applicants should have had at least 3 years' Eurobond sales experience or of dealing in US$ Fixed and Floating Rate Instruments and will, ideally, have a good command of French, German or Spanish. The position will be based in London but overseas travel will be required.

The successful candidate will be offered a competitive salary together with the usual substantial benefits available in a major Merchant Bank.

Please reply, in confidence, with full relevant details including remuneration, to T. J. B. Locker:

**Samuel Montagu & Co. Limited**
**114 Old Broad Street, London EC2P 2HY**

# ECONOMIST

## To assist Chief Executive of leading international Group

## To £20,000. London W.1.

The Group is a progressive science-based organisation with an enviable reputation, a sound profit record and a commitment to continued growth internationally.

The role is wide ranging but is essentially to undertake financial and economic analyses in an international context and to communicate lucidly and effectively, both in terms of written reports and verbally.

Candidates, in the age range 30-50, should have a good economics degree possibly supported by an MBA. Corporate planning or related experience gained in manufacturing industry would be particularly relevant.

The appointment could also attract an internationally orientated line manager, with an economics degree, now seeking the intellectual challenge of a head office role.

*Candidates (either sex) should write to S.W.J. Adamson FCA, Director,* Grosvenor Stewart Limited, *117 George Street, London W1H 5TB, or ring for an application form on 0462 55303.*

**GROSVENOR STEWART**
International Recruitment Consultants
*London Brussels Frankfurt*

# Managing Director

## North West — over £25,000

Our client is a manufacturer of, and a trader in, a diverse range of textile products with sales of around £20m.

A Managing Director is required to take full profit responsibility for the main trading activities and to play an important role in shaping the future policy of the company.

Candidates will probably be aged about 40 and have a consistent record of success in Senior Executive positions. Experience of marketing consumer goods would be a distinct advantage.

Salary is negotiable and there are significant additional benefits.

Please write to Michael Hinds, in confidence, with full details of qualifications, career and remuneration, or telephone for a personal history form, quoting Reference No. 1041.

**IHR Associates Limited, 38-40 Kennedy Street, Manchester, M60 2BP. Tel: 061-236 2243.**

IHR IHR Associates Limited

# BANKING APPOINTMENTS

**DEALERS ASSISTANT (BULLION)** — **c. £10,000**

Our client, a major and respected European bank is currently looking to recruit a person 21-25 with at least three years exposure of the bullion market covering settlements, positions etc.

The successful applicant will commence as an assistant to a highly professional team of bullion dealers.

*Please contact Brenda Shepherd*

**MANAGER – LOANS ADMINISTRATION** — **c. £12,500**

Opportunity to take over this busy department in an American Bank. The successful candidate will have in-depth experience of loans administration, obvious man-management skills, the ability to solve problems and work easily under pressure. Age 27-35.

*Please contact David Little*

**EXPORT FINANCE** — **to £12,000**

A major bank has a vacancy for an experienced banker who is thoroughly conversant in medium term buyer and supplier credits.

This would be for an administration role but would involve considerable client contact and negotiating with ECGD etc., a knowledge of documentation would be an advantage. Age 25-30.

*Please contact Brian Gooch*

*Jonathan Wren* *BANK RECRUITMENT CONSULTANTS*
*170 Bishopsgate · London EC2M 4LX · 01 623 1266*

## TRAINEE INTERBANK BROKER

with Stock Exchange or similar background, good academic standing.

Please contact
**Sheila Anketell-Jones**
**01-236 0731**

*Q. S. Banking*
*Recruitment Consultants*
*30-31 QUEEN STREET, LONDON EC4*

## BUSINESS CONSULTANCY

Seeks mature, numerate and articulate graduates with some experience in corporate finance research and report writing. Backgrounds in law, English or economics an advantage. Send full c.v. to

Box A7789,
Financial Times,
10, Cannon Street, EC4P 4BY.

## SECURITIES CLERK

Clerk required for Stocks Department of Merchant Bank. "A" level educational standard and all-round stocks knowledge desirable. Salary negotiable in accordance with qualifications and experience.

*Applications with full cv to:*
*Box A7786, Financial Times*
*10 Cannon Street, EC4P 4BY*

## TECHNICAL TRANSLATOR

with no labour restrictions English/Arabic fulltime. Perfect Arabic grammar essential. Salary £6,500/£7,500 p.a. according to experience, plus fringe benefits.

*Write Box A7784, Financial Times*
*10 Cannon Street, EC4P 4BY*

# Institutional Sales

## U.K. to Europe

## £12,000 to £22,000

Our client is a major U.K. firm of Stockbrokers who have gained an excellent reputation through professionalism. In addition to considerable Corporate, Private Client, and Gilt business they have developed a first class equity research product. The firm now seeks a high calibre individual to play an important role in the further development of their European activities.

The successful candidate will be aged 25 to 32, with a sound track record in U.K. equity institutional sales. Experience of advising European clients and a knowledge of French and/or German will be an advantage, but not essential.

The position will involve working closely with the European partner in servicing and developing business in France, Germany, Switzerland and Holland. It is envisaged that this will appeal to an ambitious person who now seeks greater scope through joining a small expanding team in a leading firm.

Please contact F.J. Stephens or S.J. Embleton who will treat all enquiries in the strictest of confidence.

**Stephens Associates**
International Recruitment Consultants
44 Carter Lane, London EC4V 5BX. 01-236 7307

# Lending to the Far East

## c £20.000 + Benefits

Our clients, a leading Accepting House, wish to employ an individual of exceptional ability at Assistant Director level in their team responsible for lending to the Far East, India and Australasia.

In addition to the lending role, this person will also have responsibility for marketing the full range of financial services offered by the bank. While based in London, considerable travel will be involved.

Candidates will be aged 27 to 35 and have had several years' experience of international lending and a sound credit analysis background. They must have the style and presence to carry the name and authority of the bank and also be sufficiently accomplished technically to arrange the implementation of transactions negotiated. Familiarity with Australasia and India would be a strong advantage.

This is a responsible and demanding post which would suit an ambitious, personable and intelligent individual who is prepared to work extremely hard for a bank which will recognise and reward success.

**Please contact Edward Dawnay**

Philippa Rose & Partners Limited
18 Eldon Street
London EC2M 7LA
Telephone:
01-588 5196

PRP LTD

# Career Opportunities in International Finance

Nomura International Limited, with its headquarters in London, is the principal overseas subsidiary of Nomura Securities, Japan's leading financial institution. Nomura's worldwide network covers many areas such as investments in Japanese securities; financing for governments, international organisations and corporations; as well as the full range of financial and investment services.

Our international business continues to expand and we now wish to appoint key executives in the sales and marketing of a wide range of investment instruments.

### Corporate Finance and New Issues

Candidates aged 25-32 must have successful business development experience including negotiations with international borrowers. We also seek candidates for the marketing of international bonds. Proficiency in a second European language will be an advantage. Some overseas travel is envisaged.

### Bond Sales

Candidates should be aged between 24-29 and have gained experience in the marketing of fixed interest securities and providing institutional investors with ways of diversifying portfolios.

### Equity Sales

The position will suit applicants aged 23-28 who have a knowledge of the Japanese stock market and the ability to provide institutional clients with in depth research and advisory services.

### Stock/Bond Trading

Applicants aged 22-28 should have sound experience in the trading of equities, convertibles, fixed-income securities and other money market instruments, and have the ability to identify and develop new areas of business.

These challenging opportunities will suit candidates who have the potential to make a significant contribution in a demanding environment and the salary package will reflect the importance of these appointments.

Please send a full curriculum vitae to Keith Cuthbertson, Personnel Manager, Nomura International Limited, 3 Gracechurch Street, London EC3V 0AD.

NOMURA

# BARCLAYS MERCHANT BANK CORPORATE ADVICE

Continued growth of the Corporate Advice activity has resulted in vacancies for additional executives. The ideal candidates will be aged 26–32, have relevant professional qualifications and have had at least two years' merchant banking experience.

Applicants should write, enclosing a curriculum vitae, to:

**The Staff Director**
**PO Box 188**
**15/16 Gracechurch Street**
**London EC3**

BARCLAYS

# Managing Director

## North Midlands • Negotiable around £20,000

for a profitable £6m. turnover company (employing some 400 people and part of a successful public group) supplying ranges of products to a variety of leisure and other outlets.

The MD's priorities are to create and exploit new marketing opportunities, to ensure efficiency levels that win orders at good margins and to provide front-line leadership to accelerate business growth.

Suitable candidates, male or female, age middle 30s to early 40s, are likely to be graduates and certain to be numerate. They must already be at or near to general management level – and profit accountable – in manufacturing companies with a broad customer base.

Salary negotiable plus added value bonus; excellent benefits including car and relocation help.

Please write in confidence with relevant career details to D. A. Ravenscroft at Bull, Holmes (Management) Limited, 45 Albemarle Street, London W1X 3FE.

*Bull Holmes*
*PERSONNEL ADVISERS*

**Appointments Advertising**
**Rate £29.00 Per Single Column Centimetre**

# INVESTMENT ANALYST

LAURENCE, PRUST is expanding its overseas research department and wishes to employ an investment analyst who would specialise in Malaysia and Singapore, and particularly in the industrial companies and banks. The successful candidate will almost certainly be a graduate under 30 and will have a high degree of expertise in investment analysis. A knowledge of Malaysia and Singapore would be an advantage. He/she would be expected:

- ★ to make frequent visits to Malaysia and Singapore during the course of which he/she would build up a wide range of contacts in the business scene of the two countries
- ★ to report upon all visits and to comment on company announcements and to write memoranda on companies and sectors, as appropriate
- ★ to conduct short seminars on the Malaysian and Singapore companies and sectors
- ★ to ensure that the LP service team and clients are kept fully abreast of his/her views
- ★ to maintain a databank on TOPIC of the companies and sectors he/she covers

Applications, which will be treated in strictest confidence, should be sent, together with a curriculum vitae, to Martin Wedgwood, Laurence, Prust and Co, 7-11 Moorgate, London EC2R 6AH.

# Financial Controller

**East Midlands £15K+car+profit sharing bonus.**

The potential of this rapidly expanding company which manufactures and markets a well-known consumer product, the leader in its field, is demonstrated by its dramatic growth over the past seven years. Profits have been consistently good and prospects of substantial future growth both at home and overseas are excellent.

Reporting to the Finance Director, responsibility will be for the overall financial cootrol of the company. Duties will include financial and management accounting, *budgetary control*, staff management and statutory accounts. The accounting systems are computerized and the applicant will be involved in further development of DP facilities.

Aged over 30, you should have a strong industrial/commercial background. Essential qualities are good organisational and communications skills with the ability to cootrol and motivate an enthusiastic staff team. Initiative and ability to plan are important requirements in this rapid growth environment.

Candidates, male or female, should write with full details to Philip Gardiner (Ref FLA/186), Austin Knight Limited, James House, Welford Road, Leicester LE2 7AE.

Applications are forwarded to the client concerned, therefore, any company in which you are not interested should be listed in e covering letter.

Austin Knight Advertising

AK LEICESTER

# INTERNATIONAL BANKING

## CHARTERED ACCOUNTANTS

We are seeking two qualified chartered accountants to join our London based internal auditing team, for work et senior level in a highly professional systems-orientated environment involving up to 25% travel.

Ideally the successful applicants will be in the ege range mid-20s to early 30s who have had experience of bank audits gained within one of the leading professional firms.

One successful applicant will be required to have fluency in French and preference will be given to other applicants with fluency in German, Italian or Spanish.

Experience of auditing telecommunications and computerised systems would be an advantage, but is not essential.

Remuneration for these rewarding posts, will be competitive and staff benefits include low interest mortgage and personal loan facilities, a non-contributory pension and participation in profit sharing and life assurance schemes, interest-free season ticket loans and free lunches.

*Please send a full curriculum vitae to:*
Raymond A. V. Howe, Manager, International Audit,
P.O. Box 224, 2/3 Cursitor Street, London EC4P 4BB

MANUFACTURERS HANOVER TRUST COMPANY

# Howden Securities

# Assistant Investment Manager

## [Fixed Interest]

Howden Securities Limited, a subsidiary of Alexander Howden, manages about £200 million of funds for Insurance companies, Lloyd's Syndicates and Private clients, mainly in Sterling and US Dollar domestic Markets. The company invites applications from experienced fixed interest specialists, willing to assist the existing managers in an organisation devoted to efficient and expert fund management.

Applications should be made in writing, stating experience and salary progression to: Personnel Department, Alexander Howden, 22 Billiter Street, London EC3M 2SA. Further information with regard to this position can be obtained from the Recruitment Officer. Tel. 01-488 0808 Extn. 3908.

Alexander Howden Group Limited

# BUSINESS INTELLIGENCE OFFICER

**c £11,000 (including London Allowance)**

Applications are invited for the post of Business Intelligence Officer in the TSB Group Central Executive. The Central Executive, based in London, provides a range of central services to the Trustee Savings Banks and Group Subsidiary Companies and it employs 150 staff, the majority of whom are of Executive or Management status.

The vacancy arises from the expansion of the Group's planning function and the successful candidate will report to the Business Analyst in the Corporate Planning Division.

The primary responsibility of the successful candidate will be to analyse and monitor the economic and competitive environment in which the Group operates and to assist in the development of appropriate plans and strategies. He/she will be required to communicate with all levels of Management and, in particular, be able to interpret and present complex information.

This post represents an excellent opportunity for someone with a background in banking and finance with skills in business economics, financial analysis and the marketing of financial services. Experience in the use of computer-based forecasting techniques would also be an advantage.

Salary will be in the region of £11,000 (including London Allowance) with a wide range of benefits associated with a major banking group including mortgage subsidy (subject to a qualifying period) and non-contributory pension scheme.

TSB

Applications should include full personal, career and salary details, and be forwarded to:–
Head of Personnel Division
TSB Group Central Executive, 3 Copthall Avenue, London EC2P 2AB.
to arrive no later than Friday 26th March 1982.

# CREDIT ANALYSTS

**to £11,000**

Our Client, a major U.S. Bank with branches world-wide, provides the full range of Banking and Investment services to an ever-growing client portfolio.

Due to exceptional expansion in a division controlled by London, they wish to strengthen their team of credit analysts.

Candidates should be young banking specialists currently operating in a relevant area of a clearing bank or already within a U.S. or Merchant Bank.

# LEASING EXECUTIVES

**Neg. + Car + Bonus**

A prestigious financial services group is developing its leasing company and consequently has a requirement for a number of leasing executives.

Candidates should demonstrate a successful track record, preferably in leasing, together with strong marketing skills and the desire to enhance their career prospects.

Alongside the provision of a continued high-quality service to current industrial clients, there will be involvement in new client marketing.

*Please telephone 01-242 0965 or send detailed C.V. to* Nicholas Waterworth, 31, Southampton Row, London WC1.

MP

Michael Page Partnership
Recruitment Consultants
London Birmingham Manchester

# Overseas Fund Manager

We have an exciting opportunity for a good fund manager aged mid to late 20's to join a young, rapidly-expanding investment company.

You should have two or more years' direct experience and specific knowledge of the U.S. or Pacific Basin and general knowledge of other overseas markets. Launched in September, 1976, Chieftain now has in excess of £20 million under management, mainly in unit trusts but also other institutional funds and private clients. Besides managing funds you will also have an opportunity to contribute to the general growth of the Company. Salary negotiable.

*Reply in confidence to Mrs C. Corter at the address below*

CHIEFTAIN
TRUST MANAGERS LIMITED

Chieftain House, 11 New Street, London EC2M 4TP. Telephone: 01-283 3933

Merrill Lynch International Bank Ltd. is seeking to strengthen and expand the foreign currency services it provides from London to the thousands of international commodity and institutional customers of the Worldwide Merrill Lynch Organisation.

# Vice President, Foreign Exchange Marketing

*We are looking for someone experienced in marketing foreign currency services to large corporations and governmental institutions in Europe and the Middle East. You will work closely with many of the 36 investment and commercial banking professionals located here in London and should have a strong background in long dated forward swap transactions. Compensation is open.*

# Senior Foreign Exchange Dealers

We are looking for one or two foreign exchange dealers in their late twenties to early thirties who are experienced in dealing spot and forward Marks or Swiss Francs. You must be able to handle the unusual and work well with sophisticated commodity and institutional clients in Europe and the Middle East. If you are not already earning in the region of £16,000 then you probably do not have the experience and qualifications necessary.

*Send full particulars to:*

**Personnel Department, MERRILL LYNCH HOLDINGS LIMITED**
**3 Newgate Street, London EC1A 7DA**

Merrill Lynch

# INVESTMENT ANALYST

IMI is a major engineering company with rapidly growing pension funds. An Investment Analyst is required to join a small team in the Investments Department at the company's head office in Birmingham to assist in the management of the pension funds' assets.

Applicants, male or female, should be in their early 20's and possess a good degree in the general field of finance or economics and/or a professional qualification in a similar field. It is preferable, but not essential, that applicants have previous port folio investment experience.

*Please write giving details of academic and professional qualifications, career history, age, current salary etc., to:*

IMI

John Poole,
Kynoch Personnel Manager,
IMI plc, P.O. Box 216,
Witton, Birmingham B6 7BA.

# C. J. COLEMAN HOLDINGS LIMITED

**require a**

## COMPANY SECRETARY/ ASSISTANT TO THE BOARD

The Group comprises two firms of Lloyd's Insurance Brokers and three other firms of Insursnce Brokers In London.

As an expanding Group we are seeking a Company Secretary of Group Companies responsible to the Holdings Board for Company Secretary, personnel and administrative matters.

Applicants

- * Must have qualifications and/or experience as a Company Secretary
- * Should preferably have a wider knowledge of the financial sector
- * Must have an understanding of insursnce and some knowledge of Lloyd's In particular.

Accounting or legal qualifications are less important than personality and flair.

*Applications for interview to:*
D. H. Stuart-Brown
C. J. COLEMAN HOLDINGS LTD.
155 Minories, London EC3N 1BT
*enclosing detailed curriculum vitae*
*All information will be treated as strictly confidential*

# Finance Leasing

An international consortium bank in the City is seeking an assistant for the manager of their expanding leasing portfolio.

This is an opportunity for a young man or woman of appropriate ability to gain experience in negotiation at senior level and in the control of a portfolio. Candidates should be in their middle/late twenties and must possess some leasing or financial marketing experience.

A realistic starting salary will be paid. Other benefits include low-interest mortgage and profit-sharing schemes.

Applications will be treated in strict confidence. Please write initially stating age, qualifications and experience to Mr. E. Cotter.

GSR

Golley Slater Roe Limited
42 Drury Lane, London WC2B 5RN.

# NESTE OY

is a major oil, energy and shipowning company
*in Scandinavia*
owned by the Finnish Government
and with turnover of 3,600 million U.S. dollars 1981.

We have recently expanded our activities into coal, shipping presently steam coal from the U.S. to Europe and are also starting to deal with British coal in the near future.

For our coal operstions, we have offices in Helsinki, London and New York. We wish to appoint a

## COAL TRADER

to be based in our London office.

Responsibilities *will* cover coal *marketing* in *selected European* countries.

The successful candidate will possess good experience in international coal trading. *Fluency in English will be essential*, knowledge of other European languages an asset.

A salary in the range of £15,000 plue a generous commission scheme plus a car and other *benefits will be* offered.

Applicants *should* send a career *history* and *personal* details *to* Mr Seppo Oja, Neste Oy London Office, 98/99 Jermyn Street, London SW1Y 6EE.

FLEETGUARD, a CUMMINS Company, the leading manufacturer of filter products for heavy duty and construction equipment market, has a challenging position for a :

# PLANNING MANAGER EUROPE

Reports to the Financial Controller – Europe.

Responsible for developing annual and five years financial business plan, covering : profit, balance sheet and cash flow aspects, in coordination with managers of all departments based in different European locations and in U.S.A.. Also responsible for capital budgeting analysis and cash management.

Position requires two to five years' experience in previous financial area, preferably backed up with M.B.A. and/or accounting degree. The practice of both fluent English and French is a must, as the position is based in Quimper – France.

If you are interested in the above position, please send a curriculum vitae, photograph and current salary to :

Fleetguard® FLEETGUARD INTERNATIONAL CORPORATION, Service du Personnel
Le Grand Guélen – 29000 QUIMPER
(France) — quoting réf. JMR.

# Director of Finance

*The Water Authority is seeking to fill the post of* Director of Finance which becomes vacant on 5 August 1982, following the *retirement* of the present Director, Mr. E. J. Gilliland, FCMA, IPFA.

The Director of Finance is the Authority's adviser on economic and *financial* matters and is responsible for all operational management functions relating to economics and finance, *including standards of* financial administration throughout the Authority's area.

The person appointed to the post will be expected to have had *relevant professional and* managerial experience, preferably with a similar large organisation.
Salary will be £30,000 p.a.

Further information and *application form* available from the Regional Manager—Manpower, Thames Water, New River Head, Rosebery Avenue, London, E.C.1.
Tel. 01-837 3300 Ext. 2024

Closing date 12th April, 1982.

Thames Water

## BUSINESS DEVELOPMENT

**M. East & Africa £17,000+**
Respected Int. Bank seeks Senior Banker to head marketing effort.

## SENIOR ACCOUNTS

**City £7,000-£14,000**
Several client banks require Senior, career minded, bank accounts persons.

## EUROBOND SALES

**Merchant Bank negotiable**
Executive with several years experience in placement of bonds and other instruments.

## TRAINING OFFICER

**Major U.S. Bank c. £10,000**
Trainer with good people skills, to organise courses, classroom experience essential.

CREDIT ANALYSTS, DOC. CREDITS, FOREX, *SECURITIES*, SYNDICATIONS etc. — excellent opportunities also available in these areas.

GORDON BROWN BANK RECRUITMENT CONSULTANTS
*4/6 Copthall Avenue, London E.C.2*
01-628 4200

# BANKING

***HEAD OF INTERNAL AUDIT* c. £12,000**
Qualified and experienced Bank Auditor required to head a small team respoosible for complete programme in developing international bank.

***EXPORT CREDIT* c. £10,000**
An opportunity for a young banker with good knowledge of Export Finance procedures including ECGD, to make a positive forward career move.

**CREDIT ANALYSIS/LENDING c. £10,000**
Major merchant bank extends genuine developmeot prospects to a young Graduate/A.I.B. with sound basic credit skills and marketing potential.

Please telephone Ann Costello or John Chiverton A.I.B.

JOHN CHIVERTON ASSOCIATES LTD.
4/5, Castle Court, London, E.C.3.
01-623 3861

# SINGAPORE

Latin American Bank shortly to open an ACU in Singapore seeks candidates for the position of:

## FOREIGN EXCHANGE MANAGER

to assume responsibility for establishment and development of its dealing room activity. Candidates should ideally be aged between 30-35 and be well experienced in both deposits and foreign exchange.

*Please reply, enclosing curriculum vitae, to Box A.7782 Financial Times, 10, Cannon Street, EC4P 4BY*

# AMBITIOUS YOUNG BANKERS

*Expanding subsidiary of major international group seeks experienced staff for UK lending business and Documentary Credits*

Contact: Jack Shebson, Company Secretary
BANK LEUMI (U.K.) LIMITED
Tel: 01-629 1205
4/7 Woodstock Street, London W1A 2AF

# COCOA TRADER

*Experienced French speaking physical trader required to head a new cocoa department. Full knowledge of world market essential. Salary negotiable plus benefits.*

Applications to:
The Secretary
SOCOMEX LIMITED
*10 Old Jewry, London EC2R 8DU*

# Executive Appointments

*The specialist service for senior executives seeking new appointments.* Our success-related fee structure is unique. Contact us for a confidential meeting.

Connaught Executive Management Services Limited
73 Grosvenor Street, LONDON W1 – 01-493 8504

# THE UNIVERSITY OF LEEDS

## Office of Vice-Chancellor

The Council of the University has appointed a Committee to nominate a successor to the late Lord Boyle of Handsworth.

The Committee invites enquiries or applications from persons who would wish to be considered for the post. The Committee would also welcome suggestions of names.

Letters, marked personal, should be addressed to the Registrar, The University, Leeds LS2 9JT.

## WANTED

BUSINESS STUDIES graduate with Masters Degree by research on corporate acquisitions seeks interesting and challenging opportunity. Write Box A.7781, Financial Times, 10, Cannon Street, EC4P 4BY.

AN ADAPTABLE SALES EXECUTIVE with an entrepreneurial flair and nearly twenty years experience gained in the UK and overseas seeks a challenging and rewarding position. Willing to relocate worldwide. Write Box A.7780, Financial Times, 10, Cannon Street, EC4P 4BY.

# Accountancy Appointments

## Central London £13,500 p.a.

## Practice Accountant

Our client is a growing law practice which, in addition to its base in the West End, now has offices in five overseas countries. This rate of growth is continuing and makes necessary a new appointment of Practice Accountant whose role will encompass the activities of all the offices. In particular will the appointee review and develop existing management information systems, prepare all accounts and maintain a close relationship with the practice auditors.

A qualified accountant is required who will almost certainly be aged mid-30s upwards and could well have had some years' experience of this role in a professional practice. Necessary experience will include computerised information and control systems. Some Secretarial work is likely to be involved and the staff in each office covers a wide range of seniority, so tact, sensitivity and an ability to secure co-operation at all levels are necessary personal characteristics.

Pension arrangements are under review, private medical insurance will apply and assistance with travel into the West End will be given. Help will be provided with any necessary relocation. Occasional overseas trips could be necessary.

Letters of application, together with C.V., salary progression and any other relevant data should be sent without delay to Mr. C.A. Cotton, Executive Recruitment Division, The Stoy-MLH Group, 126 Baker Street, London W1M 1FH. quoting reference M508.

STOY MLH Management Consultants

## BANKING

I would be interested in talking to

NEWLY QUALIFIED A.C.A.'s

seeking career opportunities in Accounting or Corporate Finance with

MERCHANT or INTERNATIONAL BANKS

Please telephone David Grove on 01-248 1858

or write to:

DAVID GROVE ASSOCIATES
*Bank Recruitment Specialists*
60, Cheapside, London
EC2V 6AX

Highly commercial role as a move out of practice . . .

## INVESTIGATION / ACQUISITION ACCOUNTANT

London c. £16,000 p.a. + car

Our client is a well-funded investment holding company with strong connections in North America and Africa. The group is actively pursuing acquisitions, both in the U.K. and overseas, in high technology, trading, leisure and related sectors.

The company seeks to appoint an accountant whose task will be to identify, investigate and report on potential acquisitions, and then become involved in their ongoing financial management and performance monitoring. Reporting to the Managing Director, the successful candidate will exercise considerable commercial judgement as well as accounting skills.

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Written applications containing relevant career details should be forwarded, in confidence, to Anthony J. Forsyth, B.Sc. at our London address, quoting reference number 3595.

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26 West Nile Street FREEPOST Glasgow G1 2BR.
Tel: 041-226 3101.
3 Coates Place, Edinburgh EH3 7AA. Tel: 031-225 7744.

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Ref: 82067 FT.

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Ref: 82068, FT

For an early local interview write or telephone Brian R. Daniels, Senior Consultant, Dunlop & Badenoch, Accountancy Recruitment Consultants, Arndale House, Arndale Centre, Otley Road, Headingley, Leeds LS6 2UU. Quoting appropriate reference

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A long-established U.K. firm of engineering contractors offers the senior accounting role in the Gulf, taking charge of a variety of contracts. Already possessing substantial Middle East experience, the successful candidate will be a qualified accountant aged c30. This position, which offers long term employment, requires a strong character with a positive outlook. Saudi Arabia.

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- A successful financial executive, aged 32/35; a qualified chartered accountant.
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Please call or write in confidence with concise career and personal details to: Wendy Mason,
Personnel Manager,
J.E. Lesser and Sons (Holdings) Ltd.,
The Causeway,
Teddington, Middlesex.
Tel: 01-977 8755.

LESSER

## Retail Accounting Controller

N.W. London Salary c.£18,000

Our client is Dixons Photographic U.K. Limited. They are highly dynamic retailers with over 250 branches and a commitment to consistent and rapid growth.

Reporting directly to the Assistant Managing Director, who is also the Financial Director, the Retail Accounting Controller will have total responsibility for all accounting functions connected with the purchase and sale of merchandise and the control of goods throughout the complete retail cycle. This will involve working closely with, and providing relevant financial advice to, other senior executives at and below Board level. Since this appointment has overall responsibility for approximately 100 staff, it is particularly important that the candidate has the ability to successfully control and develop people at senior manager level.

The candidate will be a qualified accountant aged 30+. Ideally he/she will be a graduate and will have gained significant experience in a retailing or distribution environment. Familiarity with computerised accounting systems is essential.

The remuneration package is negotiable and includes a 2.3 litre car. There will be real promotion possibilities within the Dixons Group for the right candidate.

Please write in complete confidence to David Dale quoting reference 1263.

Odgers MANAGEMENT CONSULTANTS
*Odgers and Co Ltd, One Old Bond St, London W1X 3TD 01-499 8811*

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Salary is negotiable depending on qualifications and experience. A company car will be provided, along with free membership of BUPA and the other usual benefits.

*Write Box A7788, Financial Times*
*10 Cannon Street, EC4P 4BY*

## Property Management Accountant

C. London Neg. from £16,000

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There is a requirement for a Property Management Accountant to assume total responsibility for all aspects of accounting associated with the management division. This is a key position, and as well as high general technical competence, the candidate must have appropriate computer experience, the ability to manage staff and liaise with prestigious clients.

The candidate will be a qualified accountant aged 35-45. Ideally he/she will have previous experience in a similar role in the property field.

The remuneration package is negotiable and a car and other benefits will be provided.

Please write in complete confidence to David Dale quoting reference 1287.

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*Please write to:—*
Christopher Tregoning — Associate Director
NORDIC BANK PLC
Nordic Bank House, 20 St. Dunstan's Hill
London EC3R 8HY

## ACCOUNTANCY APPOINTMENTS

RATE £29.00 per single column centimetre

## TELEVISION

### BBC 1

6.40-7.55 am Open University (uhf only). 9.00 For Schools, Colleges. 12.30 pm News After Noon. 1.00 Pebble Mill at One. 1.45 Bagpuss. 2.02-3.00 For Schools, Colleges. 3.20 Pobol y Cwm. 3.53 Regional News for England (except London). 3.55 Play School. 4.20 Pixie and Dixie. 4.25 Jackanory. 4.40 Finders Keepers. 5.05 The Song and the Story with Isla St Clair. 5.35 Ivor the Engine.

5.40 News.

6.00 Regional News Magazines.

6.22 Nationwide.

7.00 "What's Up Doc?" starring Barbra Streisand and Ryan O'Neal.

8.30 World Figure Skating Championships featuring The Ice Dance Championship.

9.40 News.

10.05 The Ian Woolridge Interview with Jimmy Greaves (London and the South East only).

10.35 News Headlines.

10.40-12.35 am The Late Film: "Kotch," starring Walter Matthau.

### Chris Dunkley: Tonight's Choice

Is Germany's miraculous post-war economic structure finally collapsing, or anyway cracking, under the strain of recession, unemployment (2m), and political quietism among the younger generation? David Jessel's report on BBC 2's Newsweek is called "The Miracle Fades," so he clearly thinks so.

On the same channel, the Playhouse production, Pocketful of Dreams, is the first play written by television director Jim Hill. It stars Michael Elphick (who took the title role so memorably in "Private Schulz") and Philip Jackson as a couple of second-rate villains who have a bright idea when they see a film unit mocking up a getaway from a bank. . . . Still on BBC 2 in Poems in their Place John Arlott reads work by Edward Thomas.

The late film on BBC 1, Kotch, stars Walter Matthau as a talkative grandfather, under Jack Lemmon's direction.

### BBC 2

6.40-7.55 am Open University. 11.00-11.25 Play School. 3.55 pm Living on the Land. 4.20 Mexican Madness. 5.10 Pilgrimage in the Hindu Tradition. 5.35 Weekend Outlook. †5.40 "Sherlock Holmes and the Scarlet Claw," starring Basil Rathbone. 6.55 Dear Heart. 7.20 News Summary. 7.25 Gardeners' World. 7.50 Newsweek.

8.30 Iris Williams and Sunshine in Malta. 9.00 Playhouse. 9.35 Scoop. 10.05 The Blues with Alexis Korner. 10.30 Poems in Their Place. 10.45 Newsnight. 11.30-12.25 am Friday Night . . . Saturday Morning. BBC2 Scotland only 10.00-11.00 am, 11.25-12.45 pm and 2.00-5.10 Scottish Labour Party Conference.

### LONDON

9.35 am Schools Programmes. 11.55 Comic Stories. 12.00 Song Book. 12.10 pm Once Upon A Time. 12.30 Second Thoughts. 1.00 News, plus FT Index. 1.20 Thames News with Robin Houston. 1.30 Take the High Road. 2.00 After Noon Plus: Simon Reed reports from Copenhagen on the World Freeskating Championships. 2.45 Friday Matinee: Mark Edwards and Sandra Lee Paterson in "Murcheson's Creek." 4.10 Dr Snuggles. 4.20 Razzmatazz. 4.45 The Haunting of Cassie Palmer. 5.15 Square One, presented by Joe Brown.

5.45 News.

6.00 The 6 O'Clock Show.

7.00 Family Fortunes.

7.30 Hawaii Five-O.

8.30 The Gaffer, starring Bill Maynard.

9.00 We'll Meet Again, starring Susannah York.

10.00 News.

10.30 World Figure Skating Championships from Copenhagen.

11.00 The London Programme.

11.35 Thriller.

12.35 am Close: Sit up and Listen with Ann Todd.

†Indicates programme in black and white

All IBA Regions as London except at the following times:

#### ANGLIA

11.35 am Survival. 12.30 pm Vet. 1.20 Anglia News. 2.45 Friday Film Matinee: "Side Kicks" (TV movie). 5.00 About Anglia. 7.30 The Fall Guy. 11.00 Members Only. 11.30 Friday Late Film: "The Memory of Us" (TV movie). 1.15 am Encounters at Walsingham.

#### BORDER

12.30 pm Vet. 1.20 Border News. 2.45 Film: "The Black Swan," starring Tyrone Power and Maureen O'Hara. 5.00 Lookaround Friday. 5.30 That's Hollywood. 7.30 The Fall Guy. 11.00 Look Who's Talking—Barry Mason talks to Derek Batey. 11.30 Danger UXB. 12.30 am Border News Summary.

#### CENTRAL

12.30 pm Vet. 1.20 Central News. 2.45 Murder and Mystery Matinee: "Dangerous Mission," starring Victor Mature and Piper Laurie. 6.00 Central News. 7.30 The Fall Guy. 11.00 Central News. 11.05 Invitation to Terror: "Psychomania," starring George Sanders and Beryl Reid.

#### CHANNEL

11.55 am Look and See. 12.30 pm Election '82: The Guernsey Election for Deputies. 1.20 Channel Lunchtime News, What's On Where and Weather. 2.45 The Friday Matinee: "Death Cruise." 5.15 Emmerdale Farm. 6.00 Channel Report, followed by What's On Where. 6.30 Sammy Cahn in Rehearsal. 7.30 Hart to Hart. 10.28 Channel Late News. 11.00 Aujourd 'Hui en France. 11.05 Mysterious Tales. 11.30 Continental Cinema: "The Widow Couderc." 12.40 am News and Weather in French.

#### GRAMPIAN

9.30 am First Thing. 12.30 pm Vet. 1.20 North News. 2.45 Friday Matinee: "Nickel Queen," starring Googie Withers. 6.00 North Tonight, including Sports Desk. 7.30 The Fall Guy. 11.00 Friday Late Night Film: "Countess Dracula," starring Ingrid Pitt. 12.35 am North Headlines, Road Report.

#### GRANADA

11.54 am Weetoo, Weetoo. 12.30 pm Vet. 1.20 Granada Reports. 1.30 Exchange Flags. 2.00 Take the High Road. 2.30 Friday Matinee: "Convict 99," starring Will Hay. 5.00 Kick Off. 6.30 Granada Reports. 7.30 The Fall Guy. 11.00 A Week on Friday. 11.30 For Adults Only: "Scoundrel La Scoumoune."

#### HTV

12.30 pm Vet. 1.20 HTV News. 12.45 Friday Film Matinee: "Band Wagon," starring Arthur Askey and Richard Murdoch. 5.15 Cartoon. 5.20 Crossroads. 6.00 HTV News. 8.30 Mr and Mrs. 7.30 The Fall Guy. 10.28 HTV News. 11.00 The Good Neighbour Show. 11.30 It All Goes to Show. 12.00 pm The Late Night Film: "Empire of Passion." HTV Cymru/Wales—As HTV West except: 11.34-11.49 am About Wales. 12.00-12.10 pm Seth Am Stori? 4.10 Cartoon. 4.15-4.45 Ilwm, Y Tro Cyntaf. 6.00 Y Dydd. 6.15-6.30 Report Wales. 10.30 Outlook. 11.00 Happy Days. 11.30-12.00 World Figure Skating Championships.

#### SCOTTISH

12.30 pm Vet. 1.20 Scottish News. 1.30 Square One. 2.45 Friday Matinee: "Home to Stay," starring Henry Fonda. 5.10 Tales of Crime. 5.20 Crossroads. 6.00 Scotland Today. 6.25 Sports Extra. 6.45 Hear Here. 7.30 Charlie's Angels. 10.30 Ways and Means. 11.00 Late Call. 11.05 The Streets of San Francisco. 12.00 The World Ice Skating Championships.

#### TSW

11.55 am Look and See. 12.30 pm Vet. 1.20 TSW News Headlines. 2.45 "Death Cruise," starring Polly Bergen, Edward Albert and Celeste Holm. 5.15 Gus Honeybun's Magic Birthdays. 5.15 Emmerdale Farm. 6.00 Today South West. 6.30 What's Ahead. 7.30 Hart to Hart. 10.32 TSW Late News. 11.00 Postscript. 11.05 Mysterious Tales. 11.10 Continental Cinema: "The Widow Couderc," starring Alain Delon and Simone Signoret. 12.40 am South West Weather.

#### TVS

12.30 pm Vet. 1.20 TVS News. 2.45 Friday Matinee: "Daughters of Joshua Cabe Return" (TV movie). 5.15 Radio. 5.30 Coast to Coast. 6.00 Coast to Coast (continued). 6.30 Friday Sportshow. 7.30 The Fall Guy. 11.00 Horror: "Circus of Horrors," starring Anton Diffring. 12.40 am Company.

#### TYNE TEES

9.25 am The Good Word. 9.30 North East News. 12.30 pm Vet. 1.20 North East News and Lookaround. 12.45 Friday Matinee: "Fighting Stock," starring Tom Walls. 6.00 North East News. 6.02 Sportstime. 6.30 Northern Life. 7.30 The Fall Guy. 10.20 North East News. 10.32 Friday Live, presented by Gillian Reynolds and Chris Kelly. 12.00 World Ice Dancing Championships. 12.30 am Post's Corner.

#### YORKSHIRE

12.30 pm Vet. 1.20 Calendar News. 12.45 Friday Film Matinee: "Sabotage," starring Sylvia Sidney and Oscar Homolka. 6.00 Calendar (Emley Moor and Belmont editions). 8.30 Calendar Sport. 7.30 The Fall Guy. 11.00 Pro-Celebrity Snooker. 11.45 Mannix.

## RADIO

(S) Stereophonic broadcast

### RADIO 1

5.00 am As Radio 2. 7.00 Steve Wright. 9.00 Simon Bates. 11.30 Dave Lee Travis. 2.00 pm Paul Burnett. 3.30 Newsbeat. 3.45 Roundtable. 7.00 Andy Peebles. 10.00-12.00 The Friday Rock Show (S).

### RADIO 2

5.00 am Ray Moore (S). 7.30 Terry Wogan (S). 10.00 Jimmy Young (S). 12.00 Gloria Hunniford (S). 2.00 Ed Stewart (S). 4.00 David Hamilton (S). 5.45 News; Sport. 6.00 Steve Jones (S). 8.00 Friday Night Is Music Night (S). 8.50-9.10 Interval. 9.55 Sports Desk. 10.00 Listen to Les says Les Dawson. 10.30 Anything for a Laugh. 11.00 Brian Matthew with Round Midnight. 1.00 am Truckers' Hour (S). 2.00-5.00 You and the Night and the Music (S).

### RADIO 3

6.55 am Weather. 7.00 News. 7.05 Morning Concert (S). 8.00 News. 8.05 Morning Concert (continued). 9.00 News. 9.05 This Week's Composer: Shostakovich (S). 10.00 Sacred Garden of Delights (S). 11.00 Elgar's Piano Quintet (S). 11.40 Music for Guitar (S). 12.10 pm Midday Concert, Part 1 (S). 1.00 News. 1.05 Midday Concert, part 2 (S). 1.45 Julia Hamari song recital (S). 2.35 The Busch Quartet Plays Beethoven. 3.05 Clarinet and Piano recital (S). 4.00 Choral Evensong (S). 4.55 News. 5.00 Mainly for Pleasure (S). 6.55 Play It Again (S). 7.00 Poulenc oboe sonata (S). 7.18 "The Bartered Bride," comic opera in three acts by Smetana (sung in English). Welsh National Opera production from the New Theatre, Cardiff: Acts 1 and 2 (S). 8.35 A Hungry Paradise of Literature (S). 8.55 "The Bartered Bride," Act 3 (S). 9.50 Words. 9.55 Croft String Quartet (S). 11.00 News. 11.05-11.15 Jean Françaix.

### RADIO 4

6.00 am News Briefing. 6.10 Farming Today. 6.25 Shipping Forecast. 6.30 Today. 8.33 Yesterday in Parliament. 8.57 Weather. 9.00 News. 9.05 Desert Island Discs. 9.45 Feedback. 10.00 News. 10.02 International Assignment. 10.30 Daily Service. 10.45 Morning Story. 11.00 News. 11.05 High Mountains and Cold Seas. 11.50 Bird of the Week. 12.00 News. 12.02 pm You and Yours. 12.27 My Word! (S). 12.55 Weather; programme news. 1.00 The World at One. 1.40 The Archers. 1.55 Shipping Forecast. 2.00 News. 2.02 Woman's Hour. 3.00 News. 3.02 Afternoon Theatre (S). 4.05 Poetry Please! (S). 4.15 Victims. 4.45 Story Time. 5.00 PM: News magazine. 5.50 Shipping Forecast. 5.55 Weather, programme news. 6.00 News, including Financial Report. 6.30 Going Places. 7.00 News. 7.05 The Archers. 7.20 Pick of the Week (S). 8.10 Profile. 8.30 Any Questions? 9.15 Letter from America by Alistair Cooke. 9.30 Kaleidoscope. 9.59 Weather. 10.00 The World Tonight. 10.35 Week Ending (S). 11.00 A Book at Bedtime. 11.15 The Financial World Tonight. 11.30 Today in Parliament. 11.45 Glyn Worsnip delves into the BBC Sound Archives. 12.00 News.

# FT COMMERCIAL LAW REPORTS

## Employee's fault not company's 'actual' fault

THE GARDEN CITY

Queen's Bench Division (Admiralty Court): Mr Justice Staughton: March 2 1982

THE FAULT of an employee of a shipowning company which exercises a reasonable standard of care in its system of management, is not the company's "actual fault or privity" unless the employee's position in the company structure is such that he is its directing mind.

* * *

Mr Justice Staughton so held when giving judgment for the plaintiff company, Polish Steamship Co, owners of the Zaglebie Dabrowskie in its claim for a declaration that its liability, in respect of a collision with the Garden City, owned by the defendants, Atlantic Maritime Co, was limited to £892,900.

SECTION 503 (1) of the Merchant Shipping Act 1894 as amended provides: "The owners of a ship, British or foreign, shall not, where . . . occurrences take place without their actual fault or privity . . . be liable to damages beyond the following amounts. . . ."

HIS LORDSHIP said that shortly before noon on March 19 1969, a collision occurred in the North Sea between the Garden City and the plaintiff company's ship. The Garden City was totally lost.

In an Admiralty action *in rem* by the owners of the Garden City against the company (*[1978] 1 Lloyd's Rep 564*) it was held that both ships were seriously to blame for bad radar lookout and excessive speed in fog. The company's ship was 60 per cent to blame. Fault was found on the part of both her Master and her third officer.

The company commenced the present proceedings claiming a declaration that its liability was limited under section 503(1) of the Merchant Shipping Act 1894. The issue was whether the collision occurred without the company's "actual fault or privity."

*Although the company was vicariously liable for the fault of its Master and third officer*, it was not suggested that that constituted "actual fault or privity" on the part of the company. That expression connoted fault on the part of a shipowner himself. In the case of a shipowning corporation, it referred to fault on the part of the directing mind, the *alter ego*, or the brain and nerve centre of the corporation.

The *issue was not primarily* one of navigation, but of business management. The question was whether the company's conduct or system fell short of the standard of care of a reasonable and prudent shipowner.

The problem was considered under three headings:

*(1) The company's structure.*

The company was a major state-owned Polish shipping company. It owned 100 ships and had 6,000 employees. Its head and representative was the "Director General." He had seven "deputy directors," including the director of the Technical Investment Affairs (TIA) department.

The Director General and his seven deputies were not the equivalent of the board of an English company, in the sense of managing the company's affairs by majority decision. The Director General's will prevailed.

The deputy director most concerned with matters relevant to the present case, was the TIA director. For present purposes his direct subordinate was the Chief Navigator, who had a staff of inspectors.

*(2) Whether there was fault by a superior of the Master and third officer.*

The Chief Navigator, with his staff, supervised navigation. After every voyage they went on board to inspect the charts and log books. No written records of inspections were made, and inspectors reported orally to the Chief Navigator. *The staff was* supplemented by temporary inspectors.

That system was adequate, but it would have been better if all staff were permanent, if there had been written instructions or check-lists, and written reports. A competent chief navigator who performed his duties properly would have operated effectively without such refinements; one who was incompetent or indolent might not have done so even if they had existed.

The system was not operated effectively. *A significant number* of incidents of improper navigation involving the Master had occurred over a period of 18 months without remedy, culminating in the collision. The Chief Navigator and his staff were at fault in not detecting all those instances, and in not *taking sterner measures* to prevent repetition. He was, however, capable of being an adequate chief navigator, and there was no fault on the part of the Director General in selecting him for the post.

The TIA director was not told and did not know that the Chief Navigator and his staff were *failing to* detect some instances of improper navigation. That was not due to his personal fault, but to that of his subordinates.

As to whether the company was at fault with regard to instructions for navigation in restricted visibility, copies of the International Regulations for Preventing Collision at Sea (1960) were circulated to all Masters by the TIA director. Those provided that vessels should go at moderate speed in fog, and contained recommendations in the use of radar for avoiding collisions.

Also matters of navigation were discussed at monthly meetings of captains and the Director General; and there were meetings on ships to discuss the avoidance of losses. The company distributed documents concerned with causes of loss, to be discussed at those meetings.

That part of the company's system showed concern and a responsible attitude. Taking all the good points of the company's system and its defects, his Lordship found that the company attained the standard demanded of a reasonable and prudent shipowner in respect of the instructions which it gave to its officers as to navigation in restricted visibility.

*(3) Whether those at fault were so placed in the company structure that there was "actual fault or privity."*

The general test for ascertaining whose fault or privity was relevant in the case of a shipowning company, was laid down in *Lennard's Carrying Co [1915] AC 705*. Viscount Haldane LC said at page 714, that the fault or privity must not be that of somebody who was merely a servant or agent, but somebody "for whom the company is liable because his action is the very action of the company itself."

*Fault on the part of the Chief Navigator and his staff was not the "actual fault or privity" of the company. They were not the directing mind.* Had it been relevant, his Lordship would have been inclined to hold that the Director General was the directing mind, and he alone.

Neither the Director General nor the TIA director were at fault. They did what was reasonable for the owner of a hundred ships to do: first, to appreciate the navigational problems posed by the use of radar in fog; secondly, to impress the urgency of such problems on their Masters; and thirdly, to take steps to ensure, as far as they reasonably could, that their ships were safely navigated in fog.

*For the plaintiff company: Geoffrey Brice QC and Lloyd Lloyd (Elborne Mitchell & Co.). For the defendants: John Hobhouse QC, Richard Aikens and Clifford Smith (Waltons & Morse, Holman Fenwick & Willan, and Clyde & Co., Guildford).*

**By Rachel Davies**
*Barrister*

## RACING

BY DOMINIC WIGAN

THE Grand Military Gold Cup meeting proved last season's high spot for Brod Munro-Wilson and the ever-enthusiastic amateur rider who is back in action today, must be hoping for a similar outcome.

He is riding Roman General in the Horse and Hound Grand Military Gold Cup in which last year he partnered the winner, The Drunken Duck. In the Dick McCreery Cup he is relying on last year's 33-1 victor, Galway Knight, in preference to his other runner, Mr Dram.

All three should go well, with Galway Knight—tall son of that fine jumping sire, Giolla Mear—appealing most, despite his lack of a previous outing. He had had no previous run when he ran out a narrow but fully deserved winner of this event last year at the meeting's usual home, Sandown.

Showing the utmost determination, Galway Knight then rallied to such effect in the final strides that he snatched the minimum distance verdict from Devil's Brig after looking to have no chance.

Owned, trained and ridden by Munro-Wilson, the 11-year-old will not find the concession of almost a stone to last year's runner-up an easy task; but I believe he may prove just good enough.

Roman General, who runs in the Grand Military in preference to the evergreen Coolishall, has not been an easy horse to train because of injury. However, he is a good middle distance chaser on his day.

He is the principal danger to the once high class Ballyross, the facile conqueror of Calileo over two and a half miles at Lingfield on February 20.

A smart performer in Ireland for the Duchess of Westminster a few seasons back, Ballyross was having only his second race in two years when notching that Lingfield success.

**KEMPTON**

2.00—Joe Sunlight
2.30—Galway Knight*
3.00—Glyndebourne
3.30—Ballyross***
4.00—Elmbrook
4.30—Young Dusky**

**MARKET RASEN**

2.15—St Torbay
3.45—Uncle Alf
4.45—Standon Rock

ANATOMY OF A TAKEOVER

# Why Pilkington shunned a smash and grab approach when it moved into the Ruhr

BY CHRISTOPHER LORENZ

BLAKE PINNELL is a corporate planner with a clipped grey moustache above a truly English stiff upper lip. He will never forget the experience of being seated in a large, bare room in the Luftwaffe's former headquarters in Berlin, where he and a small group of trusted colleagues had to endure six gruelling hours of interrogation without so much as a cup of coffee, a mug of tea, or even a glass of water.

The story of how Pilkington Brothers plotted and executed the acquisition of a majority stake in Flachglas, West Germany's largest glassmaker, is redolent with military metaphor; from Pinnell's appearance before the Federal Cartel Office two years ago, when he first sought approval for the takeover, to the project's original code-name of "Exercise 6601" (1066 backwards, or the reverse invasion of Europe explains the chairman, Antony Pilkington), and tie the long-standing nickname of the Germany company's executive chairman: "The Desert Fox."

## Legal quirk

Along the way, as with even the best-laid battle plan, were all sorts of unforseen hitches. One of them cost Pilkington dear: an extra £28m on the purchase price to buy out Flachglas's shares in its parent company. This was made necessary by a legal quirk about the crossholding of shares which even the West German side had not spotted; it raised Pilkington's stake from 55 to 62 per cent.

Another hitch was, on balance, *probably to Pilkington's advantage*: a Cartel office ban on its plan to buy an ailing pair of Belgian-Dutch glass companies along with the thriving Flachglas.

There were also episodes right out of a spy thriller, such as when Pilkington's cover on the then still secret negotiations with Flachglas's previous owner, the French BSN group, was almost blown in mid-1979 when a radio telephone conversation from a car speeding through the Paris streets was picked up by an eavesdropper. It was leaked to a newspaper but the resulting report went largely unnoticed.

In one respect the £141m acquisition began to have a dramatic effect within weeks of its signature in June 1980. In the financial year to March 1981 profits from Flachglas more than offset the parent company's UK trading loss of £12m. And in the first half of the current year the German company's earnings, though at a much reduced level thanks to a fall in demand, went some way towards bridging Pilkington's £31m UK loss.

A number of the executives at Flachglas's luxurious head office at Gelsenkirchen, in the Ruhr, are understandably rueful about this situation. Though one of them admits "it's not very sensible to argue with your majority shareholder," the German company's reluctance to be subjected to Pilkington's strict capital expenditure controls has been the subject of tense discussions between the two sides. There has been some debate about the level of future dividends. The acquisition of a company that is in ruder financial health than its new parent always causes problems.

In spite of these differences, the two companies have so far managed to cope with the extraordinary welter of issues, including questions of personal understanding and trust as well as of corporate procedures and policies, which must be resolved before the potential of any takeover can be realised.

It has been a slow and painstaking process. Virtually the only strategic decision to have been taken so far was last year's appointment of a new executive chairman from outside to replace the long-standing incumbent, Dr Walter Griese. The move was only made because Dr Griese was well past retirement age and would have left earlier if Pilkington had not asked him to stay on.

Antony Pilkington is emphatic that the change was not the typical decision of a new parent company which is bent on gaining control in double-quick time by putting its own man in at the top. To have appointed a Pilkington man — even if he had spoken German —"would have been quite against our ethos," he says "and a recipe for disaster. Why impose someone on a highly successful company?" He points out that no other executive changes have been made at Flachglas since the takeover.

All the same, the appointment of an outsider—Dr Walter Trux, the controversial ex-head of Fichtel and Sachs, the motor components company—certainly ruffled feathers within the new subsidiary, many of whose executives would have preferred an insider.

Other key decisions, about research priorities, product policy, manufacturing strategy and new marketing initiatives, will not be made for some time. Peter Grunwell, Pilkington's group chief accountant, who has probably been more deeply involved in the integration process than anyone else on the British side, reckons that it could be another two years before some of the more sensitive aspects of procedure and policy are finally harmonised. "It's a matter of softly, softly, catchee monkey," he says.

## Contrast

Pilkington's policy of taking the integration at a steady pace contrasts with the breakneck speed so favoured by most American companies (and many of their European admirers) but which so often destroys the morale of managers in the acquired company. To underline what Grunwell describes as Pilkington's arms-length policy of "monitoring and influencing its subsidiaries, not managing them"—though the difference is often a fine one—he claims that his colleagues always try to make a point of offering Flachglas information about their own procedures and plans before asking for any data in exchange.

This approach has certainly smoothed relations between the two sides. Grunwell says "I have certainly appreciated the way the Germans have responded to our requests. They have shown a considerable willingness to meet change."

But it would be surprising if everyone got on like a house on fire. A secondary reason for the slow rate of progress is the time it is taking to get some executives in a few areas of the two businesses to develop confidence in each other.

As late as last summer, one Pilkington executive said it needed a tough five-hour meeting to resolve a particular point with his German opposite number, where he would have needed only a 10-minute telephone conversation to settle a similar issue with his counterpart in the Australian subsidiary.

Language was one problem here: Flachglas has put more effort than Pilkington into getting its executives to learn the other side's language, but in this case to little effect. But at least the situation was not as tricky as when two key men discovered that the Briton had been a major in the last war, the German a stormtrooper.

A more significant influence on the rate of integration is the extraordinary difficulty of making sense of the two companies' very different ways of measuring product performance and production efficiency.

Examination of Flachglas's production rates, and observation of its use of men and machinery, has produced some lessons, however. It has rammed home what Pilkington's management had already begun to realise, that its own UK plants "were overcapitalised and overmanned," to quote the chairman of its flat glass division, Denys Cledwyn-Davies.

Remedial action has been taken in the UK, especially over the past two years, in terms of substantial redundancies, and new manning and demarcation agreements. As a result productivity levels at Pilkington's older Merseyside float glass plants are now within reach of its newest one (less than a year old), as well as of its four-year-old factory in Sweden. This puts them roughly in line with Flachglas's productivity.

## Confusion

But no-one can be sure of the exact comparison between the British and German sides, partly because of variations in the layout of their plants which serve different market structures and therefore use different methods of cutting and produce different glass sizes.

Further confusion is created by different accounting practices. This applies to inputs as well as output; there have been wide differences of opinion between the two sides over which company's plants are more energy-efficient, for example, and by how much.

"We first have to find out what their figures mean," says Antony Pilkington. "It's quite hard to establish the base line, but until we do we can't decide what conclusions should be drawn."

This explains why all but one of the five co-ordinating subcomittees of the board-level "Pilkington European Council" (comprising roughly five executives from the parent company, three from Flachglas) are still largely at the stage of exchanging and analysing information about how the two companies operate. The exception is Peter Grunwell's financial group, which has already succeeded in harmonising most financial acounts and procedures, together with the less controversial controls; but there are still some differences to surmount.

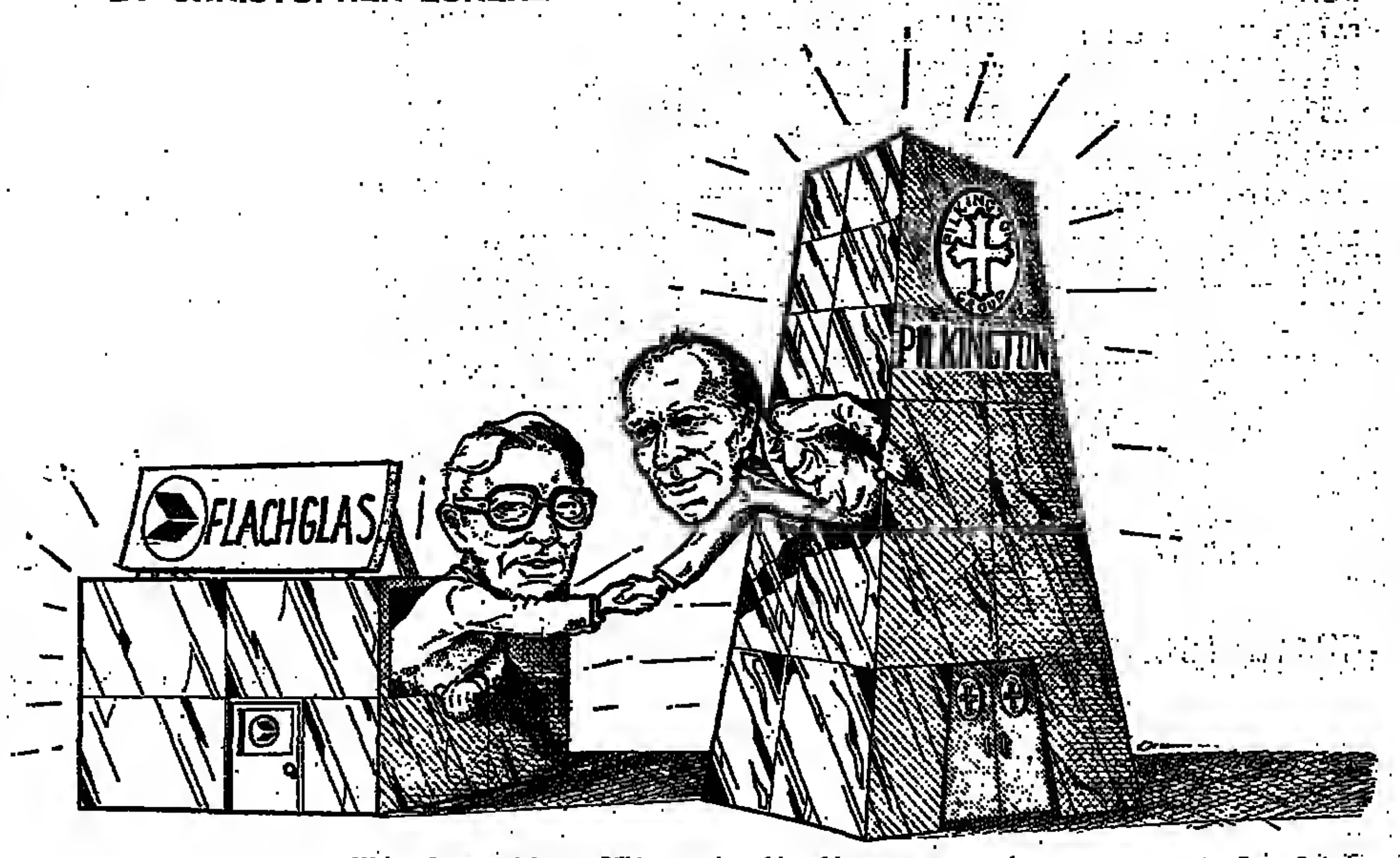
There is also continued uncertainty about how Pilkington can overcome the problem that, with only a majority holding in a company which has a two-tier board structure, it has only a limited direct effect on the policy of the Flachglas management board.

In spite of all this, Antony Pilkington and the top German executives say they are delighted with the steady progress that has undoubtedly already been made, in all sorts of detailed ways, towards integration.

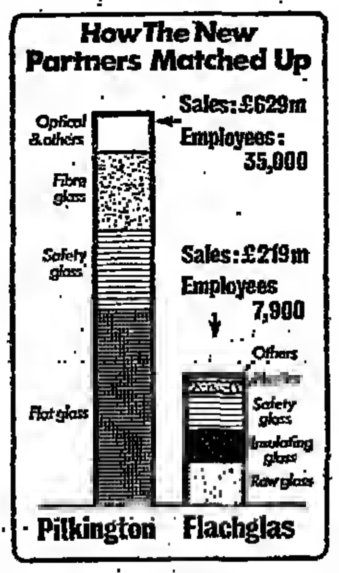
Given that the takeover itself was a thoroughly friendly affair, that a number of top executives on each side already knew and respected each other, and that the two companies are in the same basic business, they are indeed, "an amazingly good fit," as Antony Pilkington says.

If such a marriage can take nearly four years to put together, it is little wonder that so many less suitable mergers and acquisitions come to grief, or at least fail to be consummated.

*Further articles on Pilkington's takeover of Flachglas will appear on Monday and Friday next week.*




Walter Griese and Antony Pilkington: the softly softly way to get together




*Note: Pilkington group figures for year to March 31, 1980; Flachglas (parent company only) for calendar 1979; converted at December 31 exchange rate; consolidated sales approximately 30 per cent larger. Product breakdown based on analysts' estimates for Pilkington, official figures for Flachglas.*

### THE DIFFICULT BUSINESS OF TAKEOVER DIGESTION

The "digestion" of an acquisition is influenced by a complex mass of factors, both positive and negative. The main ones affecting Pilkington and Flachglas are listed below.

POSITIVE

- Good health of acquired company. With no urgent problems to resolve, new owner can afford to take time, with "softly softly" approach.
- New owner's policy, at all management levels, of offering information about its procedures and plans before asking for material in exchange.
- Subsidiary's relief at new ownership, after a period "of guerrilla warfare with a parent it didn't like."
- Little market overlap. So few marketing issues to be resolved in short term (frequently the most sensitive area after an acquisition).

NEGATIVE

- Inability to make on-site inspection of factories until after acquisition, so that most prior investigation only "paper research."
- New owner's largest-ever acquisition. So past experience with takeovers and overseas subsidiaries of only limited value.
- Acquired company in better financial health than the new parent's home market operations; puts psychological brake on subsidiary's acceptance of integration.
- Difference in corporate structures: parent divisionalised, subsidiary still organised on functional lines, although far more vertically integrated in product/market terms. Complicates integration, with costing procedures difficult to reconcile.
- Subsidiary not wholly-owned. Under West German law, new owner therefore unable to exert direct control over management board. Hence problems of translating general agreements into detailed action.
- National differences (accounting, legal, managerial practices, plus language).

## The logic of a 'costly gamble'

ANTONY PILKINGTON is at pains to refute the allegations of some investment analysts that the decision to buy into Flachglas was an opportunistic gamble, made more in response to BSN's offer to sell than as a consequence of Pilkington's long-term strategy.

Expansion within the European glass market had been a formally stated tenet of policy since the early 1970s, he maintains: "Britain's entry into the EEC made our business look rather unbalanced—on an offshore island to the north," he says. "We had the *expansion in our plans, but* we didn't have the method until BSN made its offer." A greenfield operation would not only have been expensive, but would also have contributed to the European overcapacity which at the time of the takeover was just beginning to emerge, and which has subsequently worsened.

Antony Pilkington is equally dismissive of criticism that the purchase was made at an inappropriate time:

- when the recent rapid growth of the German glass market may have come to an end;
- when the cosy profitability of semi-competition, with a few friendly European companies was starting to be disrupted by the Americans (the Japanese have since joined in);
- and when most British companies had abandoned their ambitions continental takeover plans in favour of more attractive U.S. deals.

The most obvious response to the first criticism is that, slowdown or no, West Germany's economic growth is still likely to be much faster than Britain's, particularly in the motor industry, where Flachglas sells only to what Geoffrey Iley, the chairman of Pilkington's safety glass subsidiary, Triplex, calls "The German Germans": BMW, Daimler-Benz, Audio and Volkswagen. All of them look like carrying on out of low European growth and intense foreign competition better than Ford and Opel, the General Motors subsidiary.

On the second point, Pilkington argues that Flachglas is more strongly placed than almost any other European glass company to exploit for its own benefit the new era of competition that has struck the market with the onset of the recession, the decision of the U.S. Guardian Industries to set up a greenfield plant in Luxembourg, and the sale of BSN's Benelux and French interests to Japanese and American companies respectively. (The growing cracks in the European glass market were examined on page 13 on January 25.)

As to why Pilkington did not prefer to follow the herd and exploit the then cheapness of the dollar by moving into the U.S.—a question asked even now by some Flachglas executives however much they welcome their transfer from French to British ownership—the answer is partly the need to protect Pilkington's existing UK and Scandinavian interests; it would have been disastrous to let Flachglas fall into the hands of a competitor.

### Few candidates

Less convoluted is Antony Pilkington's simple retort that "we had no opportunity—nothing was or is available." Given the fact that the two leading U.S. companies are several times the combined size of Pilkington-Flachglas, there are precious few candidates anyway. But, having decided that its Canadian base is inappropriate for an attack on the market south of the border—hence Pilkington's sale of a 51 per cent stake in the operation to Ford last year—Antony Pilkington says the company would still like to invest in the U.S. on a sizeable scale at some stage.

As a combined force, Pilkington and Flachglas could become a stronger predator in the U.S. than Pilkington could ever have been in the past. But first they must avoid the indigestion problems that stop so many takeovers achieving their real potential. They must also weather the triple challenge of recession, low growth and unprecedented competition.



## Business courses

Research and Industry, a Community?, Paris. March 17-18. Details from the Association des Anciens Eleves, Ecole Nationale Superieure de Chimie de Paris, 28 rue Saint-Dominique, 75007 Paris, France.

International Personnel Management Conference, Vienna. March 17-19. Fee: BFr 33,000 members, BFr 38,000 non-members of the American Management Association. Details from Management Centre Europe, avenue des Arts 4, 1040 Brussels, Belgium.

Trade Unions in the '80s—Challenge and Response, Henley. March 28-April 2. Fee: £575 (plus VAT). Details from The Registrar, Henley—The Management College, Greenlands, Henley-on-Thames, Oxfordshire RG9 3AU.

Where have all the entrepreneurs gone? London. March 30. Fee: £50 members, £65 non-members of the Design and Industries Association. Details from Design and Industries Association, 17 Lawn Crescent, Kew Gardens, Surrey, TW9 3NR.

Why does your organisation have so many levels of management?, Uxbridge, Middlesex. April 5-6. Fee: £195. Details from Management Programme, Brunel University, Uxbridge, Middlesex, UB8 3PH.

# THE ARTS

Cinema

## Pass the tablets

by NIGEL ANDREWS

**Whose Life Is It Anyway? (AA)** Plaza
**Venom (AA).** Classic Haymarket
**The Beads of One Rosary (A)** Gate Notting Hill

Like Topsy, Brian Clark's popular play about multiple paralysis *Whose Life Is It Anyway?* has just growed: from a TV drama to a stage play and now to a film. In the last of these metamorphoses, it has burst its tender chrysalis of tragicomedy and become a fully-fledged Hollywood bellyache. Only a week after the mawkish squawks of *On Golden Pond*, with its special pleading for senior citizens (as if Hepburn and Fonda needed any), John Badham's pie-eyed film version of Clark's tale of a sculptor immobilised from tha neck down by a car-crash is a bit hard to take.

The road to sententiousness is paved with good intentions. Richard Dreyfuss, an actor best when caught-on-the-wing in manic fidget roles (like *Close Encounters*), was clearly bitten here by the idea of a "challenge": viz. a leading role actable only from the adam's-apple up. But instead of mining the character for psychological truth, ha goes for the narcissism of virtuosity. He primps out his portrayal of the paraplegic with all his stock-in-trade tics—the chucklesome rasp, tha ironic eye-roll, the flashed raffish grin, the sudden mouth-agape look of shock—and they're as unconvincing and *applique* as tha caked pink made-up all too weirdly visible on his chubby cheeks.

Clark's tale has its share of shameless rhetorical riggings. Who but a talented sculptor for stage-centre? And with—before the mishap—a humming sex life, crescent fame and an alert and witty mind? Given what follows—our maimed hero wants to be allowed to die, his doctors want to keep him aliva, his lawyer takes up the brief for euthanasia—the tragic dice are as shamefully loaded as in Shaw's *The Doctor's Dilemma*. Instead of weighing death and support-of-life naked and unadorned, we're *sparring with spurious romantic issues of what-he-can-still-give-the-world.* (More than a little, clearly, if he is a Rodin or Giacometti reincarnate.)

In a play, good lines and stage-crafted crescendoes can carry a story strongly through. But in a *film* such commodities are often a curse rather than a boon. Under Badham's directioo, everything and everyone eoters wearings bats and labels. Here is Doctor John Cassavetes—Stern But Conscientious Surgeon. Pirouetting in from ward left is the patient's ballet-dancer girlfriend Kaki Hunter—Griefstruck But Stoical. (And can she make the big sacrifice of leaving him?—Dreyfuss wants it so.) And between the two there's beauteous Doctor Christine Lahti, *sympathising* with her patient's death-wish *eveo though* rattled into fondness for him by the patter of *his tiny patter.*

In the end the film is a curious throwback to the old bospital melodramas of the 1950s—*Magnificent Obsession* and such—with a thin guise of more flip 1980s cynicism. Where Jane Wyman would have lain there with large eyes fighting back the tears, Dreyfuss lets it all hang out with a hectoring brew of hail-fellow-well-mets and curses and aphorisms and smartypajamaa repartee. After close consideration, I'll take Jane Wyman.

*Venom* is a quietly batty thriller about tha threat posed by an escaped black mamba to a group of kidnappers and their victims (the asthmatic son of a wealthy London businessman and the boy's Grandpa Sterling Hayden) when trapped by a police siege in a Belgravia house.

Who could forget the moment *in P. G. Wodehouse's Something Squishy* in which the *butler returns an errant snake* to its owner on a silver salver through the bedroom door?: "Your serpent, sir." Similar *bizarreries* pop up fang-first in this movie. The mamba, acquired unwittingly by the boy after a mix-up at the pet shop (it should have been the "harmless" African house snake), wastes no time after being uncrated in biting Susan George to death. She's the cockney maid who's canoodling with chauffeur Oliver Reed who's conniving with kidnap-mastermind Klaus Kinski. Miss George turns blue and performs strange gymnastic exercises on the floor before passing away.

Christine Lahti and Richard Dreyfuss

Meanwhile Inspector Nicol Williamson and snake expert Sarah Miles foregather in the *street to parley through the windows* and attempt to end the *siege. Meanwhile*—the "meanwhiles" come in battalions in *this film*—the *slithery creature* itself is prowling the air-shafts with a *brief guest appearance* in the drinks cabinet and an even briefer trip up Oliver Reed's trousers. Will there be any survivors left when the siege ends?

Piers Haggard directs the preposterous and enjoyable proceedings with a straight face and a *no-nonsense lens, which is* the only feasible approach. As *a snake-and-kidnap pie*, it's well seasoned and keeps the palms pleasantly perspiring. And there is even the hint of a sequel—nay, perhaps of a whole saga—*in the film's closing shot of eggs* hatching in the air-shaft. Forever mamba . . . ?

*The Beads of One Rosary* by Polish director Kazimierz Kutz is fine value apart from occasional attacks of quaintness. The puckish, plump-cheeked elderly miner and his wife, whose neighbours are being shooed out of their cottages by redevelopers and bustled into modern concrete-block flats, stand firm and refuse to budge. Or rather he (Augustyn Halotta) so refuses and she (Marta Straszna) is content to follow his lead. But she also quietly sympathises with their dissident daughter-in-law who—the Hell with the old man—uproots all her own and her husband's things and moves them out to the new flat.

While bulldozers and demolition balls turn the surrounding homes into Armageddon, he—a much-medalled army veteran—sees symbolism in the change, shakes his head over "the late lamented Poland" (this film was made in 1979) and threatens to dynamite himself, house and wife if the demolition men come through the gate.

The trouble with this Custer's Last Stand Poland-style is that it seems predicated more on lovable *lese-majeste* bloody-mindedness thao any clearly articulated antipathy to the powers-that-be. When tbe couple are finally tweezed out of their bome, it is by tha offer of a grander hungalow: wbite-walled, opeo-plan, centrally beated. No mambas in the air-shaft. The only problem is, of course, that they start to miss their old friends. . . . There's no pleasing some people.

Kutz knows the poetry of a close-up of a steaming boiled egg. *Two* steaming boiled eggs. He raises domesticity, shared old age aod the ticking of two lives in harmooy to a boly level. And the film is also ofteo funny (the old man clanking out to do municipal battle with bis chestful of medals). It's only undermined by the hint of sentimeotal speciel-pleading for the aged, their whims and wisdoms and wilfulness. I doubt if the Polish powers would hava looked so indulgently on the film if it had been about a young couple, long-haired and bedeoimmed to boot, maooing tbeir house Alamo-like against Authority.

### RSC/LSO at the Barbican

The Royal Shakespeare Company and the London Symphooy Orchestra are to collaborate on a series of joint productions in the Barbican Hall.

The first of these will be on March 30 when Stravinksy's *The Soldier's Tale* and Walton's *Façade* will be performed by the LSO Chamber Ensmeble, conducted by Guy Woolfenden (RSC head of music) and RSC actors, Judi Dench, Allan Hendrick, Joe Melia and Richard Pasco with dancer Sally Owen.

The avening will be directed by Tony Church and designed by Ralph Koltai.

*Then* on June 24 and 26 the RSC and LSO will join forces to present two performances of *Every Good Boy Deserves Favour* writteo by Tom Stoppard with music by André Previn.

Coliseum

## La Bohème

by ANDREW CLEMENTS

Lovers of Puccini can wallow cooteotedly for the oext two weeks. After Scottish Opera's *Tosca* at the Dominion on Tuesday, *La Boheme* opened at the Coliseum the following night. And if there are any dry eyes left by then, *Madame Butterfly* will join it in the English National repertory next week. Yet I am afraid few tears are likely to be shed on behalf of the current *revival of Boheme*, which makes as doleful an evening in the opera house as has come my way in a long while.

Jean-Claude Auvray's production dates from 1977. It has been revived regularly since then, and the current run has been prepared by Peter Foster. Apart from an excess of fussy business in the first act the staging contains nothing to offend and bas some passing moments of inspiration; certainly there is nothing that deserves the desultory singing and playing of Wednesday's opening.

A good portion of the blame for this must be alloted to Stephen Barlow's cooducting—limp and uoidiomatic, at times almost contemptuous of Puccini's melodies. Instrumental detail had no sparkle, climaxes were crudely contrived. But a conductor encumbered by such an unprepossessing pair of lovers as the present *Mimi* and Rodolfo would need extraordinary fortitude.

Here are two singers who barely seem to acknowledge each other's existence, whose understanding of the words they sing seems at best sketchy. Patricia O'Neill's Mimi is clearly, confidently voiced yet manages to preserva a complete distance from the character. Graham Clark's sometimes excruciatingly raw-toned Rudolfo evideotly sees no profit in trying to bridge that gap. The gently coloured close of the third act was quite devoid of tension or emotion; the geotleman sitting next to me nodded off at this poiot and I could hardly blame him.

The limited rewards of the eveniog are provided by Eric Shilling's neatly turned pair of cameos and more especially by Malcolm Donnelly's Marcello, lively and outgoing, his lapses of diction easily forgiveo io the circumstances and the Musetta of Lois McDonall, dangerously close to caricature at points in the second act, but always demonstrating the accuracy, flair and involvemeot so lacking elsewhere.

Lyric Studio, Hammersmith

## James Joyce and the Israelites

by B. A. YOUNG

At first Joyce, given a rather more solid bourgeois look by Patrick Waldron than the photographs suggest, spends most of his time sitting under a canopy upstage, while a dozen assorted Jews (played by four actors) pursue their argument. The youngest of them (Steve Simmonds) appropriately plays the Jew's barp. He also sings, in Yiddish and in Hebrew, most beautifully.

The *argument* drips out a fragment at a time, but at the *end of an bour* and three-quarters, it seems to amount to no more than that the Jews and the Irish have a good deal in common. Their characters are alike. Most important of *all*, they both bave had their Diaspora. The Jews had their bolocaust under Hitler, the Irish their famine under tha British.

We begin with Jaws arriving from Lithuania to Ireland to escape the pogroms, but finding themselves in a country where the Irish themselves have to fly from starvation. Joyce is the first to propose the similarity between the two peoples; "The Irish are all Jews," he annouoces. As an exile, he is like the Wandering Jew. His book *Ulysses* is the story of the Irish and the Jews.

Now this similarity is quite an interesting thing, but a case could probably be made out for tha Irish and the Spanisb, the *Zulus and the Iroquois*, any two peoples you care to work at, if you work hard eoough. All I can get out of this piece by Seamus Finnegan, an Irishman who bas taught in a Jawish *school*, is a modest *observation* that he has hung on to James *Joyce because of the centeoary* of Joyce's birth. Gertie Macdowell and *Molly* Bloom in *Ulysses*, he says, are based on women that Joyce has met in Zurich—possibly, but oot certainly, Jewish women. When the Swiss turned Joyce out of Zurich during the First World War, it was because they took him to be a Jew.

It's a pretty thin case, and consequently, Joyce gets a pretty thin part in the play, Mr Waldron plays him like T. S. Eliot's Bleistein with "a shaggy bending at the knees and elbows, with the palms turned out."

The others—Mr Simmonds, Edward Halstead, Cherith Mellor aod James Greeoe—heve only to appear as miscellaneous archetypes of European Jewisb Immigraots or ostive Irisbmen. They do it remarkably well. But they don't succeed io making it very interesting, for all we are given is this *argument, no* development, *no* plot, no action. Julia Pascal is the director.

Drill Hall, W.C.1

## The Black Hole of Calcutta

by ROSALIND CARNE

This lively and idiosyncratic treatment of the *sepoy mutiny* of 1857 is the latest offering from Tha *National Theatre* of Brent. A cast of three takes oo a trio of colonial dimwits, Desmood, Vernon and Maxine. They slide easily in and out of character, and equally easily into a bevy of Indian roles. Their vein of exaggerated, light satire recalls radio or TV comedy—the Goodies or even Benny Hill spring to mind. However, live theatre gives scope for audieoce involvement and the group draws on willing victims with gentleness and tact.

Unfortunately, tha material varies in excellence, and momentum flags in the second half. Performers were running in all directions, screaming unaxceptiooal lines, in tbeir effort to avoid the rebellious army. I was thankful theo for the participatioo of one winsome female spectator. Her calm compliance gave necessary pause at a moment of mounting and self-reverential excitement.

The script is by Bryony Lavery, a competent, if occasionally undisciplined writer, who can create marvellous comic encounters, just as she can create longueurs of undirected chatter. With the help of director Susan Todd and company improvisation, she summons several amusing theatrical emblems. I particularly liked the scarecrow Vernon twisted up into buman map of India. He is a running joke, skinny and inept, wbose principal attraction is his inability to concentrate on the part. His colleagues berate and protect him by turns.

A *faint* narrative connects the sketches though the best of these has the delightful absurdity of a complete red berring. *Desmood doubles* as Mowgli, maeting Maxine in the jungle as she relates ber girlish pleasures with the Croydon XIII *Brownies*. An assortment of well-chosen props, notably rubber palms, cbnpattis, and swathes of white cotton, assist in evoking the contradictory images and ideologies of the sub-continent. Research bas been careful and extensive, though entertainment far outweighs instruction.

Barbara Thorn Leonard Burt

Sponsorship

## Player's please the arts

by ANTONY THORNCROFT

The arts yesterday received its biggest single gift from industry—£1m from John Player and Sons, to be spread over three years. To some exteot it is sleight of band. The Imperial Group, which owns John Player, bas always beeo the main corporate sponsor of tbe arts—partly because it cannoot spend its marketing budget on television advertising—but now it bes reviewed its aid, switching its cash from prestige *laden one-off supports* for operas at Covent Garden *under the Imperial Group baoner* to more hard-nosed assistance under a *leading brand name.*

The main innovatioo is that John Player is to use its selling skills to markat four leading opera companies — Eoglisb National Opera, Welsb Natiooal Opera, Opera Nortb and Scottish Opera. It is to take over the responsibility of the sponsorship scbames for these companies, including the buying of double page advertisemeots in the Sunday colour supplements to promote their subscription schemes. Most of the £1m commitment will go in buying media space, the rest oo the design, organisation, production and printing of the material relating to subscriptions.

Subsription schemes—offering discounts, which can amount to 50 per cent, for buyers of tickets covering a whole season—are seen as a way of salvstion for many opera companies. They ensure a sizeeble sum of cash in advance and they enable the companies to slip experimental works in among the certain successes.

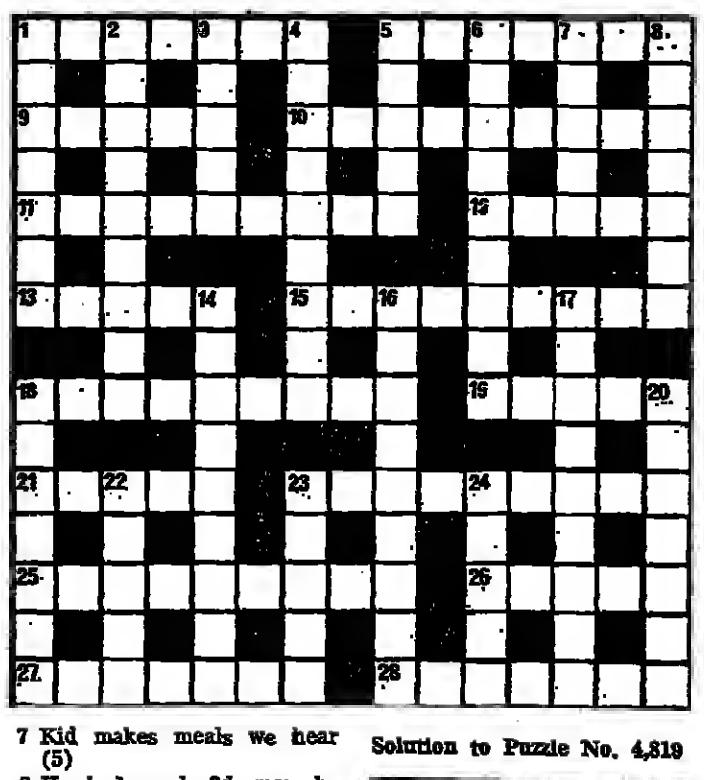
The John Player promotion is *specifically designed to attract* bigger audiences for the opera companies on their visits to provincial cities—in particular Birmingham, Cardiff, Bristol, Liverpool, Newcastle, Manchester, Leeds, and Glasgow. In soma cases the opera companies, because of the John Player support, are offering subscribers ever better deals but in the main they are using the casb they have beao saved, as well as the better box office returns that they expect from the increased advertising, to mount more ambitious productions and to escape from their financial worries.

The sponsorship will not solve all the cash worries of the companies, but it was welcomed yesterday by the Minister for the Arts, Mr Paul Channon, who has been activa in eocouraging more business aid for the arts, and by the secretary-general of the Arts Council, Sir Roy Shew, who stressed thet the Council would never cut back aid from clieots that were successful in attracting corporate sponsors. He also made the point that the five opera companies being assisted by £1m from John Player would be getting around £35m from tha Arts Council during the same three year *period.*

The Imperial Group believes that its resources are better employed backing its brand names in a recession rather than buildiog up corporate prestige. But it is still supporting iodividoel productions, although under the Jobo Player Sponsorship banner. It is sponsoring once agaio a new productioo at Glyndebourne—Gluck's *Orfeo ed Euridice*. It is also aiding a oew Sadlers Well's *Royal* Ballet work *The Swan of Tuonela*; Ballet Ramberts seasoo in tbe Bog Top in Battersea Park; *and the John Player Heritage series of concerts presenting music in historic settings.*



## F.T. CROSSWORD PUZZLE No. 4,820



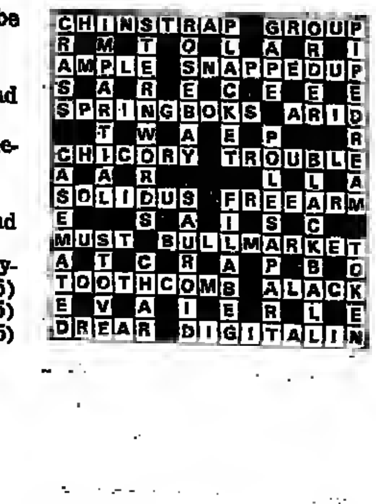
ACROSS

1 Saw cake awaiting completion (7)
5 *Terrorise* by *firing* sprout (5, 2)
9 Husband returns for instance to pet complaint (5)
10 What Borg must have in advance (9)
11 Just a *singer taking a steady* course (4, 5)
12 Wonderful part of organ (5)
13 Blunders into men in the field (5)
15 Pop back with commendation daughter valued (9)
18 Widespread before farewell word—not heartless (9)
19 Hope third-class mixture takes an age (5)
21 American state includes sailor in junta (5)
23 Parade evidence of injury to race entry (6, 3)
25 Unimpeded turn to roast (4, 5)
26 King joins Helen making doleful sound (5)
27 Divine within reach maybe of cheese (7)
28 Went back on green transformed by newsmen (7)

DOWN

1 Part of Bible appearing in instalments (7)
2 Flavour Ireland is on point of giving fruit (9)
3 Top Conservative joins the others (5)
4 Pulled sporting birds' tie (5, 4)
5 Way round ancient city river (5)
6 Starts to speed in park (4, 5)
7 Kid makes meals we hear (5)
8 Hawked peel—3d may be realised (7)
14 Bird Ted believed (9)
16 Drug steamer to make bread and butter work (3, 6)
17 Whisky poacher given something to eat (6, 3)
18 Fight shy of water (7)
20 Rushed cast round West-end (7)
22 Nationalised transport carrying first woman of note (5)
23 Poles ever ready to scoff (5)
24 Captured, thanks to him (5)

Solution to Puzzle No. 4,819



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Friday March 12 1982

# Inflation and the arms race

EARLIER THIS week we expressed serious reservations over the purchase of the most advanced Trident D5 submarine missile system as a future replacement of Britain's ageing Polaris system. That decision has now been taken, and announced in the House of Commons by Mr John Nott, Secretary of Defence. But our reservations have if anything been reinforced by the narrowness of the reasons advanced in justification of the decision.

Britain had long had a strategic ballistic deterrent: this was no time to make the futile gesture of giving it up: in the end the most expensive system would be the cheapest: The new missiles will have nearly three times as many warheads as Polaris, but there was no attempt to justify this proliferation, or to explain how it fits in with the current and impending efforts of the superpowers to engage in nuclear arms control talks.

### Special

In short this was a decision taken on the most conservative national grounds, without apparent reference to the Nato alliance or consideration of its broader international implications.

But while nuclear weapons are in a special category of their own, the Trident decision exhibits one characteristic which is common to all forms of defence procurement, whether nuclear or conventional: the tendency of defence ministries world-wide always to go for increasingly complex and advanced equipment, on the grounds that the extra cost will work out cheaper in the long run. Yet when the piece of equipment finally arrives, as the Americans are finding with their new Abrams tank, not merely is it many times more expensive than originally budgeted for, but too often it does not even work very well.

This is not to assert that Trident II would not work; if we are fortunate we shall never find out. But the logic of the high-technology arms race leads into an impossible cul-de-sac from which it is vital that we try to escape. The cost-inflation which arises from the pursuit of the most advanced technology in weapons and other defence equipment has always been significantly faster than the general level of inflation. The implication is that the maintenance of a given level of defence capability relative to other countries requires an ever-increasing share of the gross national product.

In the past decade or so, arms-producing countries have tried to get out of the bind by exporting, to the point where the French aircraft industry is thought by some to be dangerously dependent on overseas sales. But even if it achieves its short-term purpose of spreading development costs, this is not a satisfactory exit from the cul-de-sac, because it provides the developing countries with weapons which they do not need and which may, because of their power, drive an arms race which actually reduces the security of the recipient countries.

In addition, the purchase of sophisticated aircraft, missiles and tanks is almost invariably bad for the economies of all but the richest developing countries. Not merely does it represent a deduction from potential productive investment. it also adds additional strains on the balance of payments and debt servicing.

Even in so powerful economy as the U.S., the very sudden and rapid shift of resources into defence equipment now planned by President Reagan is almost bound to have an adverse economic impact, by sharply increasing competition for, and thus the salaries of, skilled workers fully employed in civilian high-technology industries. And when Mr Nott asserts that Trident will provide employment in Britain, he does not pause to consider whether the kinds of jobs it will create are the ones Britain needs most.

### Radical

While there can be no magic solution to the problems of high technology equipment, some solutions must be found, and soon. When British Shipbuilders claim to be able to build a frigate faster and cheaper than the Defence Ministry wants, something would seem to be wrong with the ministry's procurement methods. More radical avenues may have to be explored, such as role specialisation, or even equipment specialisation, in Nato. But whatever the solutions, it is clear that the continuation of current trends is in the long run unsustainable.

# Subsidies for export credits

*THE MAJOR industrialised* nations have resumed their struggle to settle the rates and conditions for the grant of export credits, mainly to finance the purchase of capital goods by developing countries. The existing regime expires in May and the arguments which preceded its introduction last November have been re-opened. Again they centre on the level of interest rates borrowers should pay.

But this round of negotiations differs from the series of talks which took place last year. The atmosphere has become markedly less cordial. Export credits have been caught up in the increasingly bitter trade disputes between the U.S., the EEC and Japan. There is little chance either of a smooth transition from the present temporary regime or, indeed, of an early decision to maintain the *status quo*. While Japan and the U.S. may be clear about what they want—and at this stage their positions appear irreconcilable—the EEC has not yet made up its mind and will not do so until the end of April at the earliest.

### Agreement

This week's Paris meeting, therefore, of the 22 nations which are party to the Arrangement on Guidelines for Officially Supported Export Credit, known as the Consensus, has been little more than a tentative exploration of attitudes towards the central issue.

Consensus interest rates, following their rise last November of 2.25-2.5 percentage points, remain at 10-11.25 per cent, sharply lower than the domestic money market rates for nearly all currencies except the yen and the Swiss franc. Officially supported export financing for these currencies is held at a minimum 9.25 per cent under the present Consensus agreement.

The U.S. is maintaining its pressure to bring the Consensus rates upwards, nearer to domestic interest rates, in order to reduce the amount of subsidy paid, mainly by European governments, to bridge the gap between what the borrower pays and what it actually costs to lend the funds.

Japan, by contrast, is complaining that 9.25 per cent for official yen financing is at a *premium to its long term prime* rate of 8.6 per cent. If it could pay the subsidy which other countries with high domestic interest rates pay, then it should be permitted to lend at rates of 6-7 per cent.

There are two points about this difference of approach, one related to the present atmosphere of friction in trade diplomacy and the other concerned with the future of the Consensus itself as a form of trading discipline in an *intensely competitive area.*

The first is that the general approach of the U.S. and Japan to export credits has sharply diverged. Until last year both held that, ideally, export credit interest rates should be tied to the domestic interest rates prevailing for the currency in question. There would, in short, be no set Consensus pattern. Japan still holds that view—naturally enough given its present domestic interest rates.

Beyond that, U.S. irritation with Japanese trading policy has led Reagan Administration officials to accuse Japan of artificially holding down interest rates, thereby gaining a competitive advantage. Export credit is thus no longer an isolated technical issue, but part of a wider trade negotiation.

The second point about the differences between the U.S. and Japan is that it emphasises the need for a Consensus which will work even if there are tensions in their areas related to trade. The weakness of the existing arrangement is its inflexibility; there can be no changes in interest rates without an elaborate negotiation. It is time to think again about the basic structure of the Consensus.

### Fairest

A new Consensus arrangement would need to take into account that there is a continual shifting of competitive advantage from one country to another. It should work on the basis that subsidies are better out of the system than in it. The fairest proposal to accommodate these factors has already been suggested by Mr Axel Wallen, the Swedish trade diplomat: Consensus interest rates would be based on a weighted average of the domestic interest rates of all the parties, changing regularly to acknowledge shifts in domestic rates.

BRITISH AND FRENCH DETERRENTS

# Gaullist sting in Trident's tail

By Bridget Bloom, Defence Correspondent

Phil Thompson

TEN DAYS ago, before he announced that the Trident 2 was to be Britain's nuclear missile of the future, Mr John Nott, the Defence Secretary, was asked why Britain needed its own nuclear forces, *instead of relying on the U.S. forces* in Nato.

He gave what can best be called a Gaullist answer. No one could tell what the state of Britain's alliances would be into the next century, when Trident would still be operating, he said. It was essential that a British prime minister should control Britain's own nuclear weapons, the ultimate deterrent to any "tinpot dictator" or would-be aggressor.

Yesterday, Mr Nott told Parliament what the bill for the new generation of missiles would be. Britain is to buy Trident 2 or D5 missiles from the U.S. and build four of its own submarines from which to launch them. The total package Mr Nott said, will cost £7.5bn at Sept. 1981 prices over some 15 years.

Mr Nott emphasised yesterday that his decision followed a thorough re-examination of Britain's options. But given the Gaullist echoes in current Conservative defence thinking, it seems strange that no thought seems to have been given to the possibility that the 20-year nuclear experience of France—the only other European nuclear power—might be of relevance to Britain at this stage.

Britain and France set out to acquire independent nuclear forces at about the same time, but rapidly took different paths. Now, there are two fundamental differences between the two systems.

First, from 1959, when General de Gaulle announced that France would have its own nuclear *force de frappe* (now more diplomatically called *force de dissuasion*), France was more inclined to develop a range of such weapons. It now has a strategic "triad" of sea-, air- and land-launched missiles, as well as its own tactical or battlefield nuclear weapons.

By contrast, Britain's sole strategic weapons are its submarine-launched missiles. Vulcan bombers, which could just reach the Soviet Union, are being phased out. And while British weapons can be carried on the (Anglo-French) Jaguar fighter and new Tornado, they are not counted as strategic weapons. British battlefield tactical weapons — Lance missiles — belong to the U.S. and are operated only under a "dual key" with the U.S.

**France gets more nuclear weapons for its money**

It is true that France spends much more of its total defence budget on nuclear weapons, but the overall spending on defence in the two countries is roughly similar. What is clear is that France gets more nuclear weapons for its money as the article below demonstrates.

The second major difference is that all France's nuclear weapons have been produced in France. By French research establishments and French industry. For Polaris, and now for Trident, Britain buys the weapon component of its deterrent from the United States—though partly thanks to U.S. law which prohibits their export, the missile warheads are made by the Atomic Weapons Research establishment at Aldermaston.

It is somewhat ironic that while France was way behind Britain in nuclear weapons development in the 1950s, it now seems to be a long way out front. This is certainly the case in missile technology and probably so for the warheads, the responsibility of the French Atomic Energy Commission. It could be a key factor if there ever were serious thoughts of collaboration in weapon production.

The complete independence of French supply, and the relative dependence of the British, underscores the differences in the way the two countries see their forces being deployed.

Successive British Governments have endorsed Mr Harold Macmillan's agreement with President Kennedy at Nassau in 1962 that Britain's nuclear forces are committed to Nato. They are "targeted in accordance with Alliance policy and strategic concepts . . . save where Britain's extreme national interests otherwise require," as one official document puts it.

France's strategy, after it left Nato in 1966, has been to defend French interests only, although whether this means only French territory remains ambiguous. Officials in the Presidency, Ministry of Defence and Ministry of Foreign Affairs in Paris all insisted last week that France continues to target its weapons completely independently of Nato or of its most concerned neighbour, West Germany.

The argument about which country "does best" is finely balanced. In the case of Trident and the sophisticated D5 missile, it can be argued that even the cost of the two submarine missile programmes should not be compared. After all, Britain's promised missile is much more advanced than anything the French are building or planning.

But the French claim that their missiles are quite as effective *at hitting Soviet cities.*

The French counter (as do Mr Nott's critics) that a small nuclear power like Britain does not need a weapon with a 6,000-mile range, up to 14 warheads, and an ability to destroy Russian silos with pinpoint accuracy.

On cost Britain argues that the more expensive U.S. weapon will prove more cost effective in the long run. But in Paris officials, note the incremental nature of the French programme which enables gradual modernisation, rather than the "cataclysmic" changes Britain must introduce to keep up with changes in U.S. defence production.

Then again, British critics say that the opportunity costs of France's nuclear weapons programme have been too great. They allege, for example, that French conventional forces (which are bigger, but rely on conscripts) are less efficient than those forces which, like the British, are part of the integrated military structure of Nato—a charge naturally denied by the French.

But perhaps the key question is political. The percentage of its budget which France spends on its nuclear deterrent emphasises that the two countries order not only their domestic but their foreign policy priorities differently—Britain, for example, claims that its Nato membership, with British troops in Germany, is a key if costly obligation.

The amount spent on nuclear weaponry also underlines perhaps the most remarkable difference between the two countries: that while the British consensus about the need for a nuclear deterrent has broken down, in France it remains very firmly in place.

It may be, as some critics allege, that no French leader since General de Gaulle has had the stature to be able to rethink the nuclear doctrine, let alone change it. The fact is that poll after opinion poll shows major support for what is clearly a French nuclear force. All political parties, even the communists, tend to see it as a symbol of the virility and independence of the nation.

The occasional nuclear weapons protests seem to be against the deployment of U.S. cruise missiles in Nato countries, not against the French force. Dissenters in France are less dissenters than they are national neutralists who would build up the French force rather than diminish it.

Is there some chance of Anglo-French co-operation or collaboration? Mr Nott's announcement yesterday clearly rules it out for the time being, even though, at bottom, both countries are keeping an independent deterrent for the same reason: fundamentally, they do not trust the Nato alliance, with its U.S. nuclear umbrella, *to endure for all time.*

It may be, in any case, that the combination of political and technical obstacles to co-operation which have been thrown up in the divergent paths of the past 20 years are already too great. Washington would be likely to see any British decision to buy French missiles, for example, as a deeply anti-American move—a move which British political parties might find it equally hard to make.

**Fears that Nato alliance will not endure**

Yet the political situation—in Britain, and in the Alliance—is in considerable flux. As the reaction to yesterday's statement shows, the Trident decision is only supported by the Conservative party.

All other British political parties say they will cancel the deal if they win the next election. At that point, a new government may well think it worthwhile at least to look again at the French experience.

## WHY FRANCE SPENDS MORE ON ITS NUCLEAR ARSENAL

BRITAIN and France spend roughly the same total amount on defence a year: Nato figures for 1980 actually show the two levels pegging at $23.5bn and $22.2bn. But *Britain spends more than 5 per cent of its GDP on defence* while France's share is currently just under 4 per cent.

Most figures, whether they originate in Paris, London or Brussels, need to be treated warily. But those that are available and seem comparable, suggest that France's nuclear forces are not, unit for unit, more expensive than Britain's. Rather, France orders its priorities *differently and elects to spend a* much greater proportion of its defence budget on nuclear weapons than Britain.

France is estimated to have spent between 14 per cent and 20 per cent of its defence budget on nuclear forces over the past 20 years, compared to 2-10 per cent over a similar period for Britain.

However, France has very considerably larger nuclear forces than Britain. The French operate a "triad" of forces—its most invulnerable leg is the fleet of five nuclear powered missile launching submarines.

These have been equipped with three versions of missile, the latest, the M20, bearing a single one megaton thermonuclear warhead. A sixth submarine is building, and a seventh has been ordered by the Mitterrand Government. These will be equipped with 16 triple warheaded—but not independently targetable—M4 missiles with a 3,000 km-plus range.

In 1964, France's airborne nuclear deterrent was the first leg of the triad to become operational: It is ultimately to be phased out on the grounds that it will be too vulnerable to Soviet attack in the next decade or so. However, 15 of the 33 Mirage IV bombers now equipped with AN 22 bombs will be re-equipped from the mid-1980s with a new air-to-ground medium-range missile.

The land-based leg is also being modernised. France has built hardened missile silos deep into the Plateau d'Albion, near d'Apt, in Haute-Provence. One squadron of 9 S2 missiles, operational since 1971, has already been replaced with new, 3,500 km range S3s. The second S3 squadron will be replacing existing S2s later this year.

By contrast, Britain has only one strategic nuclear weapons system—the four-boat Polaris fleet, each launching 16 triple warheaded Polaris A3 missiles. It is this fleet which is to be replaced by Trident D5 missiles and new and considerably larger submarines.

The apparent comparability in unit costs, at least before the decision to buy Trident 2, can be seen in the only two nuclear forces which are strictly comparable—the submarine systems.

According to a report produced by France's parliamentary Defence Commission, the sixth French submarine will cost FFr 3,000m (£300m) at 1980 prices. It is estimated that the seventh and eighth, and ninth — submarines planned for the 1990s would each cost FFr 4,600m (£460m) to develop and build, the report says.

Research and development costs for the M4 missile, its warheads and control systems are expected to total FFr 27,000m (£2.7bn) while production of the necessary missiles, with warheads, is expected to amount to FFr 8,000m (£800m). Thus the cost for a four-boat force, each with 16 M4 missiles, would be between £4.7bn and £5.3bn, according to the French report.

The British Government's original estimate for the Trident submarine forces armed with C4 missiles was £5bn. Of this, the missile would cost £600m; the submarines and weapons control systems £1.5bn, warhead production £1.5bn, and shore construction £600m.

# Men & Matters

## Blue blood turns pink

"It is not an indictment of Tory policies, it's purely my own instinct. The Conservatives' policies are double-Dutch to me at the moment."

Thus the 11th Duke of Devonshire (motto: Secure by *Caution*) on *his reasons yesterday* for severing the links that have bound his family to the Conservative Party for the best part of a century, and joining the Social Democrats.

No truer blue blood flows anywhere than in the Cavendish veins—and the Duke has spent his 62 years until now apparently doing what came naturally:

Eton, Oxford, the Guards, two unsuccessful election contests as a Tory candidate, before entering the *Lords* where first under his uncle, Harold Macmillan, then under Lord Home, he served at the Commonwealth and Colonial Office in the 1960s.

Though remaining fairly active in the *Lords*, Devonshire since then has devoted most of his time to the other pursuits that noblesse obliges—selling paintings and books to assure the future of his stately home, Chatsworth, serving the Jockey Club and the Tote, and a string of good causes.

His last controversial political act was back in 1973, when he threatened to resign as chairman of Chesterfield Conservative Association and ban its members from tea parties at Chatsworth if it invited Enoch Powell to speak at one of its meetings.

The 8th Duke caused a bit of a stir when he deserted the Liberals in the late 1800s, and *Devonshire yesterday reflected* that his own defection would be regarded as an even worse betrayal. "But at the end of the day, one has to do what one thinks is right."

He thought Britain should be *run like the rest of Europe* under a Government left-of-centre, "but not very far left." But he had feared that the SDP—whose 35 peers include only one former Tory—might feel the last thing it needed was a rich Duke.

Roy Jenkins, however, had said it was OK.


"He'll give them the common touch that Roy Jenkins lacks"

## Bucks' fizz

As the noble Devonshire joins the SDP, its Liberal allies are seeking a nationally-known commoner to carry the Alliance banner at the *forthcoming* by-election in Beaconsfield.

It may be that they will decide in the end to call into service a member of the party's patrician family Asquith. The old Liberal statesman's grandchildren, Mark Bonham *Carter* and his sister Laura Grimond, are among about 10 names being weighed locally.

Bonham Carter, hero of the sensational if short-lived by-election victory at Torrington in the 1950s, has been yearning to return to politics since his 11 year spell as chairman of the Race Relations Board and Community Relations Commission ended.

Laura Grimond, wife of the former Liberal leader whose Orkney constituency she has assiduously tended over the years, was defeated by "Mad Mike" Mitchell in her only attempt to gain a parliamentary *seat at Aberdeen. Recently she* has been taking a more active role in the Liberals' national affairs and is now a member of the party's policy-making committee.

Former Liberal MP John Pardoe, I gather, has been approached but has decided that the time is not yet ripe to attempt a parliamentary comeback. He is currently engaged in a major educational expansion programme as managing director of Sight and Sound.

*But this decision not to return* to Parliament now, he has informed David Steel, has no significance whatever for the General Election.

## Diplomatic steps

Sir John Thomson, now Britain's man in Delhi, is taking over the prestigious post of Ambassador at the United Nations. Yet, without wishing to be churlish he long seemed destined for even better things.

He has been one of the people in line to be head of, the Foreign Office. Until recently, he had been backed to take over Washington from Sir *Nicholas Henderson* when the latter retires, probably this summer—for the second time.

In his favour was the kudos he won in the decade or so in which he handled defence matters *at the Foreign Office, in Nato and at the MBFR talks in* Vienna.

Apparently he did not hit it off so well with Margaret Thatcher when, after persuasion by him, she visited India last autumn. So he gets New York.

And Washington? The rumour was that Sir Anthony Parsons would move there after three years in the UN. He had built good bridges with Reagan's doughty UN representative, Mrs Jeane Kirkpatrick.

Yesterday the Foreign Office said Sir Anthony was retiring. What did that mean? He is retiring, nothing more, nothing less." Which left open the possibility that a political appointment may be made not least to see through Trident.

## Say cheese

Some countries have unusual ways *of showing respect* for their leaders. But none more so, I hear, than Egypt.

There was a time when Hosni Mubarak, the late Anwar Sadat's successor, was nicknamed "la vache qui rit"—an irreverent reference to the resemblance his stolid, ever-smiling features bear to those of the cow which adorned the label of the popular imported French cheese of that name.

The joke became so well known that it was common for Egyptians to ask a grocer for "two vice-presidents" and receive two pieces of cheese.

When Mubarak became President last October, all that changed. *La vache qui rit* disappeared from the shops and its advertising campaign stopped.

Mysteriously, a locally made imitation of the cheese made a recent comeback in Cairo. But with a revealing difference. The cow on the label looks *somewhat sterner*, and the cheese has changed its name to "nouvelle vache"—as befits, of course, a new President and a new era.

## Gremlin at work

Agenda for a meeting of the Labour Party's Organisation Committee, item 13. Minutes of Fund Raiding Committee.

**Observer**

# FOUR-WHEEL DRIVE

Despite the effects of a world recession and oil price rises, the variety of light four-wheel-drive models now available almost parallels the car market. But, whereas this sector was traditionally dominated by the United States, the steady growth in world production is now led by Japanese manufacturers.

CONTENTS



Editorial production and design by Catherine Darby

## Saloons: the shape of the future

By Kenneth Gooding
*Motor Industry Correspondent*

WORLD PRODUCTION of four-wheel-drive vehicles used to be dominated by the U.S. As recently as 1978 the States produced twice as many as the rest of the world put together.

By 1980, however, American output had dropped steeply, hammered by the oil price increases which virtually eliminated U.S. demand for light four-wheel-drive trucks used as pleasure vehicles. Meanwhile, production in the rest of the world had been steadily moving ahead, spearheaded by the Japanese, so that by 1980 U.S. and non-U.S. four-wheel-drive output was about equal.

While most car makers still view all-wheel-drive production as an operation away from the mainstream of their activities, the Japanese perceived that this type of vehicle gave them a way of gaining a toehold in some developing countries—particularly markets where the import of built-up cars was unacceptable but utility vehicles were in a *different category* and therefore permitted.

Sending in four-wheel-drive vehicles enabled the Japanese to set up the semblance of a distribution network and prepare for the time when they could follow through with ordinary cars. As a result the Japanese have become the world's major manufacturers of four-wheel-drive vehicles and seven of the country's nine manufacturers are involved in the business in one way or another.

In 1980, the Japanese accounted for about 43 per cent of the worldwide output of all-wheel-drive vehicles, or around 358,000 out of 840,000. The indications are that they increased their share last year. And Toyota has now overtaken Jeep of the U.S. as the major individual producer with a 1980 output of 185,000 vehicles, against Jeep's 125,684.

In its heyday, Jeep's output was around 270,000 a year and the company is determined to make a come-back. The Jeep company became part of American Motors (AMC) in 1970 and more recently AMC has come under the control of Renault, the nationalised French group.

With Renault to help sort out its financial problems and share the development work on smaller and less thirsty cars for the U.S. market, AMC has been able to press on with four-wheel-drive developments.

According to Mr Roy C. Lunn, the British-born vice-president of product engineering for AMC, by the middle of next year his company will be ready *to launch* a Jeep that *is "new* from end to end." It will be lighter and a lot less thirsty. He says the newcomer has been designed to sell throughout the world and compete particularly with the Japanese products. "A major objective is to re-establish ourselves in export markets, to get some of the growth in the non-U.S. markets."

*If AMC is to succeed, though,* much will depend on a recovery in the U.S. market and whether it can get back to the 1978 level when around 1m four-wheel-drive vehicles were produced in the States.

As with cars and commercial vehicles, however, there is really no such thing as a "four-wheel-drive market." In its own *way it is just as fragmented* as the market for passenger cars and to a great extent parallels the car market in the variety of models available. They range from small runabouts offered by such companies at Daihatsu and Suzuki, through the work-horses represented by Land Rovers and Toyota Land Cruisers, to the executive-type Range Rover and "leisure" vehicles from the Americans.

Military development played a big part in the early days of four-wheel drive. The U.S. used them in 1916 in the Mexican war instead of mules, for example. It was not until June 1940, though, that the U.S. Army drafted a specification for an "ideal" four-wheel-drive general-purpose vehicle and scout car. No fewer than 135 manufacturers were invited to bid but only two showed any interest and the contract went to one of them, Willys-Overland of Toledo, Ohio.

Since the 1930s the various all-purpose vehicles in the States had been called Jeeps, apparently after a character in the Popeye cartoons, and towards the end of the war Willys, which produced more than any other manufacturer (60,000 between 1941 and 1945).

As the American army spread its influence throughout the world during and after the war, so the universal potential of four-wheel-drive became apparent. And today demand for the four-wheel-drive "workhorse"—from the military, fire brigades, foresters, police and so on—is still the least likely to suffer from the vagaries of fashion changes and is the most solidly-based—that about five times as many Land Rovers are produced in Britain as Range Rovers puts that into perspective.

The market segment which could have the biggest short-term impact on the four-wheel-drive production figures, however, is one for all-wheel-drive versions of saloon cars.

The recent success in European car rallies of the Audi Quattro, a four-wheel-drive version of the Audi 80 coupe, might have a major influence. *If* rival manufacturers become convinced that they have to produce all-wheel-drive cars if they are to have any chance of winning rallies, a whole new segment of the market—for sporty, four-wheel-drive saloons—could develop.

There is a good argument, in any case, for all-wheel-drive family saloons because they handle better and are relatively safer on wet and icy roads.

Subaru of Japan, which already is involved in four-wheel-drive dressed in conventional saloon-car clothing, has found its British customers are often middle-aged countryfolk willing to pay the premium for safety's sake.

When DaimlerBenz was in the process of launching its "G" waggon, it discovered that most all-wheel-drive vehicles in Germany were registered in the Munich area. Two-thirds of the people who bought them already had another car, and yet they did considerable mileage in the cross-country vehicle—an average of 27,000 kilometres a year.

From this, D-B deduced that most of the four-wheel-drive vehicles were sold to people who wanted to be sure they could still travel when road conditions became difficult and who needed some conveyance to get them safely to the winter sports areas and back.

AMC's Mr Lunn sees the four-wheel-drive saloon car as a key element in the future American market for similar reasons. "As passenger cars are downsized, the need for four-wheel-drive to meet adverse driving situations will increase," he says.

But Lunn points out: "Fundamentally the success of four-wheel-drive in the future will depend largely on product creativity. Four-wheel-drive vehicles are more complex, heavier, less fuel-efficient and more expensive than their two-wheel-drive counterparts, so to be competitive they need outstanding functional capabilities."

It will also depend on the efforts of those companies which, like AMC and Land Rover, have four-wheel-drive operations as part of their mainstream business.

For example, in Austria Steyr-Daimler-Puch seems determined to play a greater role in the market. Not only is it producing the four-wheel-drive "G" waggon for Daimler-Benz; it has also been having discussions with Volkswagen about building four-wheel-drive Transporters (VW's light commercial) and microbuses for the German group and with Fiat to provide four-wheel-drive units for the Panda saloon.

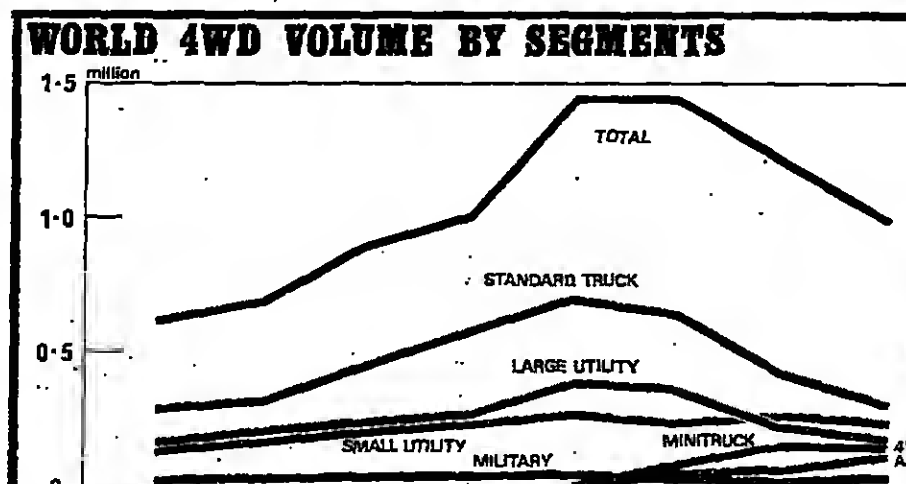
The "flow" of trade in four-wheel-drive vehicles around the world threatens to become quite a flood. The Eastern Europeans, particularly Russia with the Lada Niva, see such vehicles as a useful export to earn hard currency. Renault seems determined to help the Jeep to be better established in Europe and elsewhere. To balance matters, BL might well put the Range Rover on the U.S. market through its existing Jaguar car dealers now that the Range Rover is in good supply and seems likely to remain that way.

Nissan of Japan plans to make about 20,000 four-wheel-drive Patrols in Spain—at Motor Iberica where it now has a controlling interest — and to export most of them to other parts of Europe.

All this activity, and the marketing efforts associated with it, should push non-U.S. four-wheel-drive production continually upward. AMC predicts that output outside the States will rise from just over 500,000 in 1980 to 700,000 by 1984 and possibly 900,000 by 1988.

For the U.S. AMC suggests that production can come back from just over 700,000 in 1980 to 1m by 1984 and nearly 1.1m by 1986. That would take world four-wheel-drive output up from 1.2m in 1980 to between 1.9m and 2m in 1986.

WORLD 4WD VOLUME BY SEGMENTS




Source: AMERICAN MOTORS

Manufacturers in the industrialised and Comecon countries are having to adopt a variety of different strategies. Our correspondents report on this page and page four.

# Now that the leisure boom is over . . .

THE AMERICAN fascination with four-wheel-drive vehicles has little to do with their abilities to cope with mud, snow and sand. Just as designer jeans bring a cowboy ambience to fashion's Fifth Avenue, the demand for 4WD pick-ups and utility vehicles comes mainly from suburbanites unlikely to use the extra traction for much more than getting unstuck from a snow-drifted shopping centre car park.

The 1970s recreation boom that spawned hot tubs and hang gliding pushed four-wheel drive sales close to 1m by 1978, a specialised niche nearly half the size of that year's import car market. Even four years after the first oil embargo by the Organisation of Petroleum Exporting Countries (Opec), four-wheel-drive sales seemed immune to the concern over fuel economy affecting passenger cars.

However, today the market is still overshadowed by the memories of the consumer panic over petrol supplies which followed the Iranian revolution. Sales figures for four-wheel-drive vehicles in 1981 put together by the Motor Vehicles Manufacturers Association totalled 314,854, a drop of 68 per cent from the record year of 1978. Despite the influx of smaller, more economical designs, most market analysts expect it will be four to five years before four-wheel-drive sales recover to 1978 levels.

The decline in popularity was mainly because of their insatiable thirst for petrol. The four-wheel-drive vehicles popular in the 1970s frequently achieved less than 10 mpg, putting them on a par with the worst gas-guzzlers on America's highways. Some of that inefficiency was due to the friction of the extra driving axle, but most stemmed from the popularity of large-displacement V8 engines.

New development programmes today concentrate on either reducing the size and weight of the chassis, or substituting more fuel-efficient power plants, including diesels. That choice depends on the perception of whether small trucks and utility vehicles will eventually gain the same acceptance in the U.S. as small cars. The same problem faces manufacturers of light trucks today which built up their business in the 1970s through recreational sales only to see them plummet in the wake of the Iranian revolution.

"The truck market for the 1980s will be divided into two distinct categories," says Joseph A. Campana, general manager of Chrysler's truck group. "The first will consist of people who buy trucks for work. The second will consist of people who buy trucks for personal and recreational use. This market will be dominated by smaller, lighter trucks."

Mr Campana's analysis appears to be shared by other U.S. manufacturers, which are planning to introduce the broadest range of new four-wheel-drive vehicles in decades, all much smaller than the vehicles they replace.

In 1983, American Motors (AMC) plans a new, 1,000 lb lighter, version of its four-wheel-drive Cherokee station wagon; Ford will introduce a lightweight Bronco based on its smaller "Subcompact" pick-up chassis; General Motors (GM) likewise plans a new Blazer based on its own recently introduced subcompact truck.

Ford and GM also has plans to add four-wheel-drive to their new small pick-ups, while AMC is developing a subcompact version of its CJ-series "Jeep" vehicles.

"We're really quite bullish about the market," says D. Dean Greb, director of Jeep marketing for AMC. "We recently commissioned an independent study that confirms what we thought: there's a lot of pent-up demand out there. The study shows that one out of four Americans has a desire to own a four-wheel-drive vehicle, and about half the teenagers. It's still a youth market."

It is also a market that today must share with imports. Subaru imports approximately 60,000 four-wheel-drive vehicles a year built by Japan's Fuji Heavy Industries. Toyota and Nissan recently introduced four-wheel-drive pick-up trucks, and Toyota sells a small number of its four-wheel drive Land Cruisers.

The success of these imports adds to the market pressure to reduce the size of existing U.S.-built vehicles, but developing an energy-efficient four-wheel-drive vehicle is becoming an increasingly expensive proposition.

Most of such vehicles built in the U.S. today are based on light truck chasses in the 6,000 lb to 9,500 lb gross vehicle weight range. These rely mainly on engines and transmissions developed for large passenger cars. Recreational four-wheel-drive vehicles and pick-up trucks using these passenger-car V-8 engines reap the benefits of high volume low-cost manufacturing which is difficult to achieve in this specialised market.

But that is changing. Declining popularity of large-displacement engines for passenger cars and the rapid shift to front-drive transaxles in the U.S. has significantly reduced manufacturing capacity for light truck drive trains.

All this adds to the incentive to "downsize" four-wheel-drive vehicles, so that the new generation of small displacement passenger-car engines can be used. A specialised gearbox that allows both axles to be driven is supplied principally by Chrysler's new process transmission plant. Chrysler is already developing a new, lightweight unit.

The demise of passenger-car component capacity adds to the attraction of supplying engines from overseas. So far, GM anticipates importing a light-duty diesel from Isuzu Motors for its new subcompact trucks, and AMC will be using a small diesel built in France by Renault.

Mr Campana still anticipates that 33 per cent of a 4m truck market in 1986 will be full-size pick-ups and, if current ratios hold, about a fifth of those will be four-wheel drive. This represents mainly the "hard-core" commercial user who can use the extra load-carrying capacity. But he admits companies such as Chrysler will need about 250,000 units annually to justify V8 engine plants for the exclusive use of building truck engines.

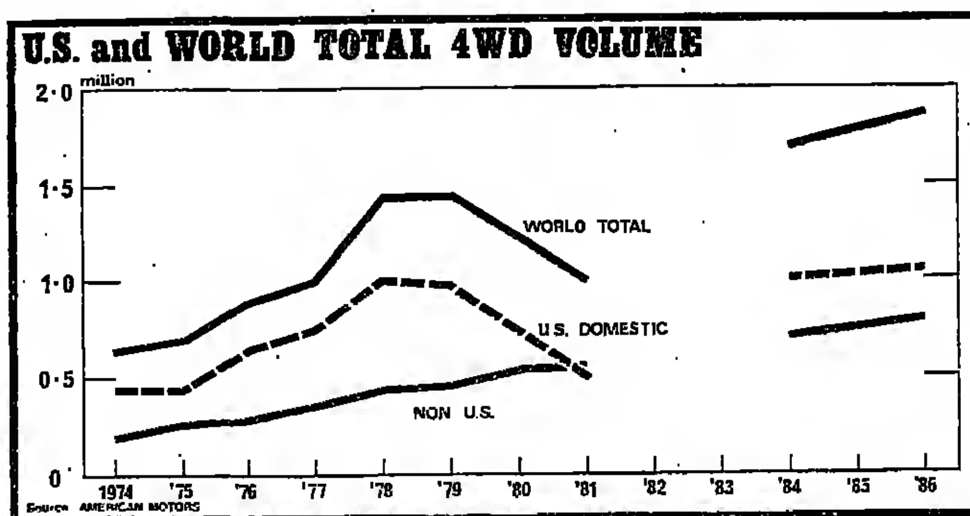
GM recently developed a 6.2-litre diesel engine specifically for light trucks. It is an expensive alternative, adding about $2,000 to the price of the vehicle, but it gets 20 mpg when installed in its heaviest four-wheel-drive utility vehicle. Since few other manufacturers appear willing to make the investment to develop new diesel engines, joint ventures to supply them appear inevitable.

The military provides an additional incentive to develop four-wheel drive. The U.S. Army is holding a competition to build a 1.25-ton four-wheel-drive light utility vehicle. In competition for the 15,000-unit contract are Chrysler Defense (recently sold to General Dynamics), American Motors' AM General subsidiary and Teledyne Inc.

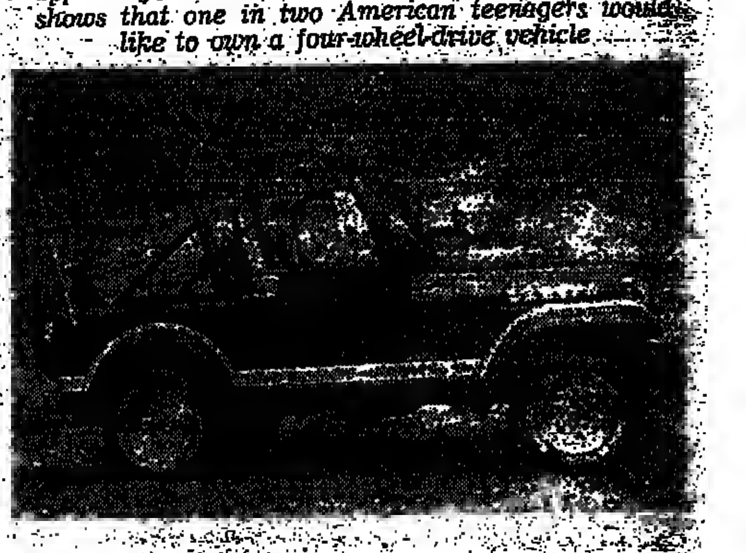
Military interest in new four-wheel-drive developments brings it full circle. Most credit the popularity of the U.S. Army Jeep after World War II as the catalyst that led to the recreational market of today.

## United States

DAN McCOSH



Past production levels and predictions for output in the period 1984-86


The Jeep has come a long way from its World War II original: (above) the Eagle and (below) the CJ7 Laredo. Both have a high level of cosmetic finish, appealing to the recreational user—an AMC study shows that one in two American teenagers would like to own a four-wheel-drive vehicle

### LIGHT FOUR-WHEEL-DRIVE VEHICLE PRODUCTION 1980

(Some major producers)

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Austria | Daimler-Benz, Steyr-Daimler-Puch "G" | | 7,500 | UK | Land Rover | Land Rover | 51,200 |
| | | | | | | Range Rover | 9,700 |
| COMECON | Lada (USSR) | Niva | 25,000 | U.S. | AMC | Jeep | 62,841 |
| | ARO (Rmnia.) | | 12,000 | | | Cherokee | 7,614 |
| India | Mahindra | | 15,000 | | | CJ | 37,907 |
| Italy | Fiat | Campagnola | 3,900 | | | Pick-ups | 6,839 |
| Japan | Toyota | Land Cruiser | 116,200 | | | Wagoneer | 18,481 |
| | | Blizzard | 1,800 | | | AMC Eagle | 12,548 |
| | | Hi Lux | 57,000 | | | Eagle Station Waggon | 16,324 |
| | Nissan | Patrol | 26,900 | | | Eagle SX | 4,013 |
| | Datsun | pick-up | 15,000 | | Gen. Motors | Chevrolet Blazer | 21,109 |
| | Isuzu | | 50,000 | | | GMC Jimmy | 5,534 |
| | Subaru | | 23,000 | | Ford | Bronco | 33,253 |
| | Mitsubishi | | 9,200 | | Intl. Hrvstr. | Scout | †30,059 |
| | Suzuki | | 50,400 | West Germany | VW-Audi | Iltis | 3,400 |
| Spain | MSA | Land Rover | 17,900 | | | Quattro | 300 |
| | Viasa | Jeep | 2,300 | | | | |

†1979 total.

# In competition for the expanding domestic market


Top: the VW Iltis. Ordered by the West German army in 1976, there were no follow-on orders so production ceased last year. Middle: VW's sporty, turbo-charged four-wheel-drive, the Audi Quattro coupé, has a top speed of over 137 mph. Bottom: two- and four-door Gelandewagens produced by Daimler-Benz to compete with the Range Rover

THE WEST GERMAN market for four-wheel-drive vehicles is dominated by importers. Only Daimler-Benz and to a limited extent Audi have taken the pains to develop new products for this small but growing market, and Daimler-Benz itself draws its cross-country vehicles from production outside the group at Steyr-Daimler-Puch in Austria.

As relative newcomers Daimler-Benz and Steyr-Daimler-Puch sold 7,494 of their G-range — "Gelandewagen" — in the first full year of production in 1980 of which some 6,656 were marketed under the Mercedes-Benz name.

The venture, hit partly by the prolonged recession in many of the world's leading automobile markets, has not performed as well as originally hoped, and the two companies chose to restructure the organisation fundamentally last year.

Originally the two companies established a 50-50 joint venture in 1979, but Daimler-Benz quickly discovered it was unhappy to accept the restrictions on its ability to develop and extend the cross-country vehicle model range imposed by such a structure.

Steyr-Daimler-Puch has taken over full responsibility for production of the G-range at its works at Graz, Austria and assembles the vehicles — chiefly from Daimler-Benz components —on a fee basis for the West German concern. The two concerns have exclusive sales rights in specific markets, but Daimler-Benz has taken full control over model development for its share of production and for quality control.

The manufacturing relationship between the two companies is similar to that existing between Porsche and Volkswagen/Audi, where the Porsche 924 and 944 models are built under contract at an Audi plant in Bavaria. Volkswagen placed the production of its successful Scirocco model outside the group at Karmann in Osnabruck.

Daimler-Benz, which is still losing money on its venture into the four-wheel drive market, holds the sales rights for most of the world's major markets due to the strength of its established far-flung sales network for both cars and commercial vehicles. Steyr-Daimler-Puch sells the G-range — it competes directly with BL's Range Rover — only in Austria and Switzerland, Yugoslavia and the East bloc, but Daimler-Benz has responsibility for the rest of the world.

In the Federal Republic the West German concern has established a share of about 14 per cent of the four-wheel-drive market. It is only competing at the top end of the market, however, against major rivals such as Nissan and Toyota of Japan and BL's Range Rover from the UK. In this category, for vehicles starting from a price of about DM 30,000 (£7,000) Daimler-Benz claims a market share of 29 per cent.

Its sales in West Germany last year fell sharply by some 48 per cent to 1,984 from 3,833, but this was partly due to a restrictive domestic sales policy imposed by Daimler-Benz to free more production for the start of the drive into export markets. It is aiming about a third of its sales at the West German market. Of the remaining two-thirds about 60 per cent is being sold to other European countries and a third to overseas markets.

Output from the Steyr-Daimler-Puch works at Graz is being held at about 8,000 capacity working for one shift production, and demand appears unlikely to justify the leap to two-shift working for at least two years.

For Daimler-Benz the attraction of going into partnership with Steyr-Daimler-Puch lay originally in gaining access to additional production capacity. At its domestic plants, car and heavy truck operations production is running at full capacity. Just as important, however, the multi-purpose all-terrain vehicle has allowed the German concern to close a gap in its high quality product range between its cars and light commercial vehicles.

With the increasing amount of leisure time in modern society, combined with the West Germans' already exaggerated taste for foreign travel, Daimler-Benz promises itself, at least in the longer-term, a strong share of a growing market.

The total West German market for four-wheel-drive vehicles jumped by 17.7 per cent last year to 17,235 units from 14,640 in 1980, according to the Federal Motor Vehicle Office. But this still accounts for only 0.7 per cent of total West German new registrations of cars and estate cars. Four-wheel-drive vehicles make up just 0.2 per cent of West Germany's total car population of 23.7m. At 48,286 units the stock of four-wheel-drive vehicles in the Federal Republic did increase last year, by just over 50 per cent from 32,018 in 1980.

## West Germany

KEVIN DONE

With the exception of Daimler-Benz, the West German market for four-wheel-drive vehicles is held virtually exclusively by importers, dominated by the Japanese Toyota, Suzuki, Subaru and Nissan. At the bottom of the market the small Russian Lada Niva is emerging as a more serious competitor for the Japanese, while BL's Range Rover is present among the more expensive competition. BL's Land-Rover has made little impact, having lacked until just over a year ago a general type approval from the West German vehicle registration authorities.

The only other traditional West German manufacturer of all-terrain, four-wheel-drive vehicles, Volkswagen, has virtually withdrawn from the sector following the completion of a large military contract to supply the West German forces with 8,800 of its Iltis models: half-tonne cross-country vehicles. Military contracts also offer a potentially promising market for Daimler-Benz and Steyr-Daimler-Puch, and the West German concern won a block order last year to supply 450 vehicles to the Norwegian Army. The two companies have combined with Peugeot to supply four-wheel-drive cross-country vehicles to the French Defence Ministry.

The West German Army ordered the VW Iltis in 1976 chiefly because about 90 per cent of the components were standard parts, which helped substantially to reduce the costs. Of the 8,800 units delivered since production started in 1978, some 8,470 were bought by the army, 310 by the West German airforce and the remaining vehicles by the navy. However, without the prospect of any follow-on orders from the armed forces, VW was forced to close production late last year.

It is still negotiating with a Canadian company, Bombardier, which is seeking to buy both the VW Iltis technology and the production facilities, with a view to producing similar vehicles in North America. The deal, announced in October last year as an agreement in principle, is still to be approved by the main boards of the two companies and appears to hinge on Bombardier gaining an initial large contract for the Canadian forces. Under the outline agreement negotiated last year the Canadian company would also acquire rights to market, sell and distribute the Iltis range worldwide.

Volkswagen's four-wheel-drive technology is chiefly represented in the sporty Quattro coupé introduced in 1980 by its Audi subsidiary. The car has already scored some success in important rallies, taking a high position in the last Monte Carlo rally, and it has added some extra glamour to the more utilitarian VW range. But sales are still modest and the Quattro notched up a volume of only 885 units in West Germany last year of total Audi sales in the Federal Republic of 151,144.



# A launching pad for exports

SPAIN'S ROLE as one of Europe's major automotive industries will soon be reflected also in the four-wheel-drive sector. A series of important changes are taking place that will mean both a considerable boost in the existing production of four-wheel-drive vehicles and the diversity of models.

This sector of the industry is being geared—like the bulk of new automotive investment in Spain—essentially to export markets. At one level there is the prospect of Spain's entry into the EEC, and of using Spain as a launching pad for European operations, at another, Spain is well placed, through its proximity to North Africa and its historic-cultural links with Latin America, to take advantage of these markets.

The most interesting developments concern the presence of the Japanese in this sector. Nissan has already committed itself to investment in four-wheel-drive vehicle production in Spain through Motor Iberica. Suzuki is still at the stage of discussing a production arrangement with Metallurgica Santana, producer of the Land Rover and the largest company in this field.

In January 1980 Nissan bought out Massey Ferguson's 36 per cent in Motor Iberica. The latter is primarily a producer of agricultural machinery, but has also a production line in light industrial vehicles and four-wheel drive. At the time Nissan kept its cards close to its chest about long-term plans, but it was obvious that the Japanese group would not be content to be a junior partner forever and that its presence in Motor Iberica was part of a broader strategy of penetrating Europe.

Last month it was announced that Nissan would raise its stake to a majority 55 per cent, the company subscribing Pta 2.19bn, so raising Motor Iberica's capital to Pta 7.1bn.

## Spain

ROBERT GRAHAM

The industry had not expected Nissan to take majority control so quickly" but a spokesman at Motor Iberica said that the sharp shortfall in sales of agricultural machinery, especially tractors, coupled with poor sales of light industrial vehicles, had seriously affected company cash flow.

It was thought prudent to let the Japanese inject new cash at this point. The Japanese at the same time have indicated they will pump in between Pta 8bn to Pta 12bn "whatever is necessary," to ensure investment needs. This means that by the end of the year Motor Iberica will have the beginnings of a real Japanese identity—this, incidentally, is the biggest Japanese industrial commitment in Spain.

Of the two licensed models to be produced, one will be the four-wheel-drive Patrol, the other is the Vanette. Motor Iberica expects to be rolling off the first Patrols either late this year or early next year. Eventual production levels have been slated at 20,000 units of which roughly two-thirds will be exported, existing foreign investment laws concerning the Automotive industry oblige local manufacture of over 65 per cent of the parts although it has not yet been stated what initial percentage of Japanese components are to be imported.

The entry of Nissan on such a scale underlines the growing liberalisation of what has traditionally been a highly protected sector. The Nissan Patrol will compete directly with Land-Rover in what has been a near monopoly of the market.

The Land-Rover is produced under licence by Metallurgica Santana. Such an operation was the only acceptable way round the high protective tariffs. Land-Rover of the UK has a 49 per cent stake in Santana, the other shareholders being Spanish private interests—mainly banks.

Santana has been able to build up an important operation based round two markets: one prompted by a steady decline in the public sector, especially from the armed forces and from the security forces, and the other caused by the topographical nature of Spain with a poorly developed infrastructure of secondary roads, making the Land-Rover ideally suited to these conditions.

The main models produced by Santana are the Land Rover 88 and 109 diesel. But the range extends to the Land Rover 2,000 and various special versions. Production capacity is around 17,500. This was based on growth projections for the domestic market in the 1980s which are now proving too optimistic. (Last year as a whole the automotive sector witnessed sales levels drop to those of the end of the 1960s.)

Virtually every automotive producer last year was obliged to resort to lay-offs, including Santana, and this year the same phenomenon is likely. Against sales of over 17,000 in 1979 the figure dropped back to 14,650 last year. Santana has sought to sustain production lines with an aggressive export drive through greater foreign sales. Latterly almost one-third of total sales have been abroad, but this was insufficient to prevent lay-offs.

By agreement with Land-Rover, Santana sells in those countries where Spain has traditional links. This has meant that Santana has become the principal Land-Rover supplier for North Africa. Partly because Santana has found itself with excess capacity and lower market growth prospects, discussions have been initiated with Suzuki on the production of the JL-80 "Jimny." This popular Japanese model will not compete for any part of the existing Land-Rover market, and instead is expected to complement it.

After a visit to Japan by Santana executives in January the Spanish press reported a production agreement. However, Santana insists that while both concerns are keen to establish a production agreement, nothing firm has been agreed. This said, the two companies are hoping that agreement can be reached within the year.

Approximately 80 per cent of Santana's Land Rover is made in Spain. The imported element is entirely components. Significantly, Spain also acts as an exporter of components; Santana itself exports gear boxes.


Estate; right, the Patrol Motor Iberica plans to produce 20,000 units

# Rapid growth of sales

LOOKING AT the Japanese market overall, there is a steady growth in the demand for four-wheel-drive vehicles. Most of tbe major Japancse vebicle manufacturers producc one or two models, excepting Honda and Toyo Kogyo (Mazda).

In 1981, total sales by all companies of 4 x 4 vehicles topped 120,000 units; by the end of October last year, 104,464 vehicles had been sold, making an iocrease of 114 per cent over the total of 68,365 units for all of 1980. Previously, the totals had grown from 31,068 units in 1977, to 42,459 units in 1978 and 47,618 in 1979.

There are 15 different types of 4 x 4 vehicles produced in Japan, mainly on the lines of the jeep—like Toyota's Land Cruiser and Nissan's Safari or Patrol. Pick-up trucks, vans and more comfortable passenger models are, however, also rapidly gaining in popularity.

The biggest manufacturer of four-wheel-drive vehicles in Japan is Fuji Heavy Indnstries, producer of Subaru cars; nearly one-third of their exports are fonr-wheel drives.

Toyota, producer of the Land Cruiser and Blizzard (both jeep types) and the Hi-lux pick-up truck, achieved total exports of 189,000 units in 1981, compared with 172,000 units in 1980 and 156,000 in 1979. Tbe Blizzard is sold mainly on the domestic market, wbereas the Land Cruiser goes to Australia, Saudi Arabia and Indonesia and the pick-up trucks are more popular in the U.S.

Toyota has been making pick-np trucks for the past five years and the Land Cruisers for a lot longer. Sales figures from the Japan Automobile Sales Association give Hi-lux as 3,734 units in 1980, dropping to 2,743 units in 1991 for the domestic market, where sales of the Land Cruiser were 8,769 units in 1980, rising to 9,928 units to October 1981. The new model Blizzard sold 1,648 units in 1980 and 1,379 units to October 1981.

The Blizzard, which comes only with a diesel engine, retails from US$5,900 to US$7,590 on the domestic market; the Land Cruiser, which offers petrol or diesel engines, is priced from US$7,227 to US$9,318; and the Hi-lux truck ranges from US$5,409 to US$6,727.

Nissan announced an export total of 34,250 four-wheel-drive vehicles in 1981. Sold under the name Safari or Patrol, the export figure breaks down as follows: 9,285 units to Asia, Australia and New Zealand; 1,751 to Canada; 7,715 to Africa; 6,925 to Europe; and 8,593 to the Middle East.

No four-wbeel-drive vehicles are sold to the American market—Nissan concedes that Toyota's Land Cruiser had got there first—nor are there any plans to produce the vehicle in the proposed truck facility in Tennessee.

Nissan detect a growth in this segment of the vehicle market, particularly among young and middle-aged groups in the snow country of northern Japan.

The four-wheel-drive Datsun truck is available on the Japanese domestic market with a 1600 cc or 1800 cc petrol engine ranging from US$3,800 to US$9,000 with special van bodies. Tbey are also available with the 2200 cc diesel engine at prices from US$4,570 to US$6,590. The Safari, as it is known in Japan, is available with the 3300 cc diesel engine from US$7,500 to US$9,400, and the 4000 cc petrol engine from US$7,636.

The Patrol/Safari sold 2,359 units in 1980 and 1,833 units until October 1981 in Japan; Datsun four-wheel-drive trucks sold 2,787 units in 1980 and 5,819 units up to October 1991.

Fuji Heavy Industries' four-wheel-drive Subaru exports in 1980 were 95,000 units but 81,000 in 1981; over the past year U.S. sales of all vehicles, including four-wheel-drive, had dropped.

Tha four-wheel-drive vebicles are very popular with young people in the bome market. The domestic model is called the Leone and comes in two-door and four-door sedans, both 1600 cc and 1800 cc. In the U.S. they are known as the Subaru; a pick-up type is called the Sambar.

A recent increase in sales of recreational vehicles helped Fuji expand sales of four-

## Japan

JOHN FUJII

wbeel-drive cars in both tha domestic and overseas market. It has certainly helped to boost its net profits from US$24m in 1980 to US$51.3m in 1981.

It is estimated that about 35 per cent of the Subaru Leone vehicles exported last year were four-wheel-drive—in total exports to Australia and Switzerland, the ratio of four-wheel-drives was more than 90 per cent. About 45 per cent of the 45,000 Leones sold domestically were four-wbeel-drive. Sales figures were 21,319 units in 1990 and 18,604 up to October 1981. Sambar sales were 4,902 units in 1980 jumping to 32,915 units up to October 1981. The latest four-wheel-drive Leone include features such as four-wbeel independent suspension, power steering and automatic transmission.

The motoring world was favourably impressed by the Subaru four-wbeel-drive when it won the class cbampionsbip in the Safari Rally two years' running, in 1990 and 1991.

The first four-wbeel-drive vehicles were marketed by Fuji in 1975. The company is an offspring of Nakajima Aircraft Manufacturing that made many of Japan's wartime aircraft. Indeed, Fuji expects to equip its Subarus with turbochargers originally designed for aircraft engines.

Suzuki produces the Jiminy (a jeep-style four-wheel-drive) and the Carry (pick-up truck and van), but only the Jiminy is exported—the main overseas markat is Australia. Although production was started 12 years ago, sales are continuing to grow. In 1981, domestic sales were 45,000 units and exports 44,000 units, up on 1980's figures of 13,000 domestic sales and 37,000 exports.

By virtue of a licence with Jeep of the U.S., Mitsubishi, which has both the Jeep and the Forte pick-up truck models, is the only company permitted to use the name "Jeep"—which came to Japan with the Allied Forces in 1945. Export figures in 1980 were 9,200 Jeeps and 12,000 Fortes; in 1981 they were 7,800 Jeeps and 18,000 Fortes. The major export markat is Australia.

The Japan Sales Association gave the domestic sales figures for the four-wheel-drive Forte as 284 in 1980 and 1,155 in 1991; Jeep sales were 7,565 units in 1980 and 5,515 units up to October 1991; pick-up truck sales were 1,516 units in 1980 and 931 units up to October last year.

Isuzu has two four-wheel-drive models: a one-ton truck, Faster Rodeo, and the Rodeo Bighorn (jeep) model. Production is about 3,500 units a month, of which 60 to 70 per cent is exported. The Bighorn is domestically very popular with the young Japanese as a leisure vehicle—an idea originally imported from America.

Finally, Daihatsu has a jeep model called the Taft although its sales dropped from 740 units in 1980 to 328 up to October 1981.

*Five of Japan's 15 different types of four-wheel-drive vehicles. Top left, Daihatsu's Jeep, the Taft; top right, Suzuki's 800 cc Jiminy. Middle left and right, Toyota's Hi-Lux pick-up truck and Land Cruiser diesel estate—with the jeep-type Blizzard, Toyota achieved total exports of 189,000 units in 1981, an increase of 17,000 over 1980. Below left, the Subaru 1800GL estate*

# Foreign competitors offer a broad choice

THE UK market for four-wheel drive vehicles is starting to look very crowded.

This is the realm over which Land Rover once reignad supreme. Up until 1970, anyone wanting a cross-country work-horse bought a Land Rover; there was nothing else available. From 1970 until the mid-70s, the same capability but with a lot more style and comfort became available—for a lot more cash—in the form of the Range

## United Kingdom

JOHN GRIFFITHS

Rover. Since then, however, there has been e steady influx of alternatives.

In the past seven months alone there have been three new arrivals which, unlike some of the other 4wd offerings, are pitched squarely at creaming off Land and Range Rover sales. They bring to 11 the number of manufacturers now competing for a slice of the action—including the Talbot Matra Rancho, a Range Rover look-alike which does not as yet have 4wd but will shortly get it. The Rancho is pitched at the same market on the basis that an awful lot of Range Rover owners like the looks of their machines yet rarely use its 4wd capability.

The predictable effect of this competition on Land Rover Limited — set up under BL's 1978 reorganisation to build and sell Land and Range Rovers as a separate entity under the BL umbrella—is that it is losing market share, at least as measured by Society of Motor Manufacturers and Traders' statistics.

The SMMT categorises the Land Rover as a "light 4 x 4" commercial. It shows the BL product's share of that market falling from 61.09 per cent in 1980 to 50.54 per cent last year. The Range Rover has to be hunted for in the car statistics, together with some versions of American Motors Corporation's Jeep, the Rancho, Toyota's Land Cruiser, some Subarus and the Russian-built Lada Niva light 4 x 4. It still dominates the 4 x 4 "cars," but accounts for about 58 per cent of such sales against about 66 per cent in 1980.

This squeeze is happening, however, not because the new arrivals are any better than the BL products. Land Rover's executives take visible pride in their well-supported claim that the aluminium-bodied Land Rover lasts half as long again as any steel-bodied rival and that there is nothing to touch the Range Rover for refinement. It has come about because user needs vary so much and there is no longer a need to base a compromise around the BL products.

Here are some examples:—A forestry worker who wants primarily to gain access to remote areas does not necessarily need the substantial payload capacity of the various forms of Land Rover (£6,000 to £9,000). So he can go to Daihatsu (£5,721) for what looks like a Land Rover but is a lot smaller and uses less fuel.

If cost is a major consideration, he can opt for the Russian-built Lada Niva (from £4,570 to £5,200), also smaller, rather basic but still capable. And if payload is of no significance at all, the Suzuki LJ-80, a diminutive 800cc Jeep-like vehicle in open and closed forms (£3,700-£3,800), is available with a fuel consumption in the mid-20s. Suzuki has been promoting it as a recreational vehicle under a "Wild Weekender" tag.

Although 4wd sales in the U.S. have plunged through a loss of interest in them as recreational vehicles, the market is still ticking over in the UK. A large number of Range Rovers find their way to coach-work specialists for alterations which are often more cosmetic than utilitarian.

Meanwhile, Subaru has hit on what appears to be a new and growing market. Three years ago it began selling four-wheel-drive saloons and estates which are

*The four-door Range Rover, launched in 1981. Production of the Range Rover has been raised twice from the end of last year*

indistinguisable from conventional cars except for an extra two- to four-wheel-drive shift lever. Not only has it found acceptance among rural dwellers such as vets, who want a car but have farm tracks to cope with; it has been latched on to by cautious types living in towns who like the extra security and mobility provided by its ability to cope with roads made treacherous by rain, ice and snow.

Quite where the embryo trend to four-wheel drive cars will lead is still hard to guess, but the instant success of the Audi Quattro 4wd coupe in motor rallying has produced a hive of activity among other manufacturers. Talbot, Citroen, Ford, Opel, Renault and Porsche have all plunged into 4wd development. So far only Audi is understood to have definite plans to market a three-box 4wd saloon to complement the Quattro, which went on sale in the UK last year at £15,000. But Fiat has concluded an agreement with Steyr-Daimler Puch of Austria which will see four-wheel-drive versions of the Panda small hatchback built before the end of this year. No decision has yet been taken as to whether it will be built in right-hand drive form.

What has happened overall, therefore, is that a once single, identifiable market based on utility has fragmented into almost as many sectors as conventional cars, and the sales and production performance of Land and Range Rover must be seen in that light.

There is no prospect for the foreseeable future of Land Rover Ltd diversifying from its two product lines. But, after what Mr Mike Hodgkinson, Land Rover's managing director since the 1978 re-organisation, declares was a previous 10-year hiatus in product development, it is going flat out to offer vehicle specifications exploiting every niche of the two sectors in which it does compete.

At the same time, it will soon enter the third and last phase of an expansion programme which, by 1984, will have doubled capacity to 85,000 Land Rovers and 25,000 Range Rovers a year.

That programme will have cost £280m, a figure which includes, however, the development of new products. It has been truncated from the £310m figure originally envisaged, and the main thrust has been changed from capacity expansion to product development.

Nevertheless, the engine assembly plant at Solihull has been automated, the new North Works for Range Rover on the same site became operational last year and the last phase of investment in facilities is shortly to start, involving refurbishment of the South Works, where Land Rovers are built, to streamline production. Together with a drop in the workforce from more than 14,000 to about 11,000, changes to date have already improved productivity by about a third and the new South Works will improve this further.

In product terms, the programme has seen the introduction of a V-8 Land Rover in (February 1979), a face-lifted Range Rover (in September 1979), a five-bearing engine for smaller Land Rovers and, in July of last year, a much-needed four-door version of the Range Rover.

Over the next few months, there will be further innovations, the biggest of which is expected to be a radically revised version of the Land Rover. Further refinement to the Range Rover may include an automatic gearbox. Meanwhile, late last year BL and Perkins signed an agreement on a diesel project based round the V-8 petrol unit in the Land Rover, and a decision to go into production is expected in about two years. As an interim measure, a diesel from VM of Italy is likely to be available for both Land and Range Rover later this year.

There will be, says Mr Hodgkinson, a steady stream of additional product changes right through the 1980s.

| UK FOUR WHEEL DRIVE SALES "Commercials" | 1981 | % | 1980 | % |
|---|---|---|---|---|
| Land-Rover | 5,666 | 50.54 | 6,824 | 61.09 |
| Subaru | 1,927 | 16.30 | 1,229 | 10.46 |
| Daihatsu | 1,183 | 10.55 | 1,595 | 13.58 |
| Suzuki | 1,012 | 9.03 | 727 | 6.19 |
| Toyota | 999 | 8.91 | 888 | 7.56 |
| Jeep | 157 | 1.40 | 147 | 1.25 |
| Mercedes | 91 | 0.81 | 0 | 0.0 |
| Others | 277 | | 335 | |
| Total market | 11,212 | | 11,745 | |
| "Cars" | | | | |
| Toyota Land Cruiser | 190 | | 0 | |
| Range Rover | 2,394 | | 2,521 | |
| Lada | 114 | | 280 | |
| Jeep | 68 | | 106 | |
| Subaru | 1,329 | | 902 | |
| Total market | 4,095 | | 3,809 | |

† Insufficient data for every percentage.

Source: SMMT.

The trouble is, all this investment has been going on at a time when world sales of four-wheal-drive vehicles of the Land and Range Rover type—which total between 200,000 and 250,000 units, of which Land-Rover Ltd. has a third—are not very buoyant. About 80 per cent of output of both is exported.

Early last year, with sterling still high against the dollar and the yen—Land-Rover's main rivals are the Japanese—the UK company went through a very sticky patch. From sales of £1,000 in 1980, last year produce a total of 53,000—10,441 of which were Range Rovers. The later weakening of sterling, though not against Eurocurrencies, did help in areas like the Middle East, however, where sales of 8,000 vehicles—nearly half of them Range Rovers—represented a 64 per cent increase.

Even in Africa sales increased by 12 per cent, although all importers are experiencing difficulties because of African countries' dwindling reserves of foreign exchange.

Land-Rover is entering 1982 with "cautious optimism" about an upturn, but almost certainly with a fair amount of its current capacity for 80,000 vehicles a year going spare.

The brightest feature is Range Rover. Production has been raised twice from the end of last year and it may get a further boost from its possible introduction through Jaguar dealers to the U.S. From a low point of 150 a week in 1981, production is being raised to 240 this month, plus about 30 kits a week for assembly abroad.

The four-door version was launched in European markets between last October and this January, lifting total Range Rover sales considerably. Overall, its exports are up by 45 per cent on the first two months of last year, while in the UK a record 340 were sold in January—a 67 per cent increase.

Meanwhile Land Rover output is running at 600 built-up and 330 kits a week.

While the full benefits of the investment programme have yet to be realised, Land Rover Limited still expects to be able to repeat past performances and remain, with the Unipart spare parts division and now Jaguar, as one of the few BL divisions to make a profit. Its results are not isolated in the BL accounts, however, and last year's outturn is believed to be rather more modest than the estimated £40m achieved in 1980. Nevertheless, the company says it has been containing costs well below the level of inflation.

Certainly, on the British market, none of the new arrivals has seriously dented Land Rover's performance, although their true impact cannot really be assessed until the end of this year.

They include the Toyota Land Cruiser, first launched in the UK in 1975 but withdrawn within e year. It was re-introduced last July as a five-door estate powered by a 3.9-litre six-cylinder diesel at a price about £2,000 less than the cheapest Range Rover it emulates. Toyota GB's hopes of selling 500 to the end of the year were not realised, however: 190 were sold.

The most recent arrival is the Datsun Patrol, launched in January, four versions of which are being sold through the 425-strong dealer network.

Datsun UK expects to receive about 2,000 from Japan this year (which are counted against its car allocation) selling at £7,987-£9,747. They are well equipped and could be seen as a rival to both Land and Range Rover. Early February sales figures look promising, 57 being sold in the first 20 days.

The other significant arrival is the Mercedes Geländewagen. Originally a joint product with Steyr-Daimler-Puch of Austria, SDP is now building them in its own right but they are being marketed by Mercedes.

Though regarded as being well engineered, they have proved expensive in the UK and, as one observer put it, "they are more of a Land-Rover rival at Range Rover prices."

Ninety-one G-wagons were sold in Britain up to January from its launch late last year.

Another question mark hangs over Jeep. While sales of the big-engined American Motors-built vehicles have stagnated—sales in the UK totalled 225 last year—Renault has a 46 per cent stake in the company and is planning to market smaller-engined, more fuel-efficient Jeeps through its large European network by 1984-85.

Those which have continued to gain ground include Subaru, whose 4wd pick-up in particular is doing well; Suzuki, sales of whose LJ-80 have gone from 727 to 1,012 last year and Toyota, whose Hi-Lux pick-up far outsells the Land Cruiser.

The biggest drop has been experienced by the Lada Niva. Sales fell to 114 last year from 280 in 1980, an uplift may come with the introduction of a bitherto unavailable, right-hand drive version. Last year saw one vanishing in the UK market, when Tudor Vehicles, importer of the Romanian-built Aro 4wd, went into voluntary liquidation.

# Large potential abroad

ONCE OFF the relatively few all-weather arterial roads connecting major Soviet cities the vast spaces of the Soviet Union are still linked mainly by unmetalled tracks, full of pot-holes and ruts; in other words, ideal four-wheel territory. It was with this in mind that in the early 1970s Soviet vehicle designers drew up plans for a new four-wheel-drive vehicle to supplement the tough and ubiquitous jeep-type four-wheel drive vehicles used by the armed forces and civilians alike.

The end result was the Lada Niva, which first rolled off the Togliatti production lines at the vast Fiat-designed automobile

## Comecon

ANTHONY ROBINSON

complex some 600 kms east of Moscow in 1978.

Since then the Niva, originally conceived as the ideal vehicle for collective farm managers, geological teams and other off-the-beaten-track users, has become a significant export success for Soviet industry. There is little doubt that if sufficient funds were available, production could be increased substantially to satisfy export and domestic demand.

In practice, however, there is little prospect of any real increase in Niva output for the foreseeable future as the current five-year plan (1981-85) has no provision for any new investment in increasing output of passenger vehicles. Instead the emphasis laid by this five-year plan, as indeed of its predecessor, is on increasing production of trucks and heavy vehicles and getting the most out of the massive Soviet investment in the Kama truck plant.

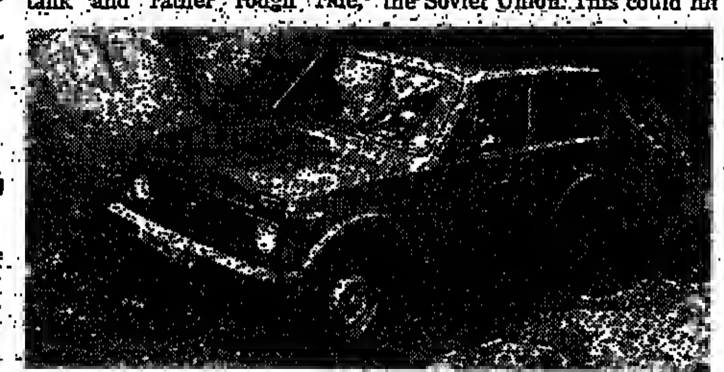
In some ways, therefore, the fate of the Niva is similar to that of the Land Rover until the big investment of recent years. That is to say, a successful vehicle whose sales potential is unlikely to be fully realised because of the physical inability to produce in the volumes required by markets world wide.

As it is the success of the Niva on world markets has already led to a higher proportion of exports than originally expected—there must be many a dissatisfied collective farm manager in the Soviet Union as a result. On the other hand the success of the Soviet motor industry in designing and producing a vehicle received so well on highly competitive Western markets is undoubtedly a feather in the cap for Soviet engineers.

The Soviet designers worked in close co-operation with specialists from the West German Porsche design team and the end product, a stubby vehicle perched high off the ground, is both rugged and, a big selling point, cheaper than its main rivals the Japanese Daihatsu and Subaru vehicles. It is also in an altogether different price range from the bigger Land Rover, Range Rovers and their continental, American and Japanese equivalents.

Up to now sales in the UK have been limited by the non-availability of a right-hand drive version although Satra UK, the Lada and Niva distributors in the UK, expect a right-wheel drive conversion to be made available this year. At present the standard, left-hand drive version sells for £4,570 from the works, a low price in the traditional Soviet marketing style typified by the pricing policy on its Fiat-derived Lada passenger cars.

The Lada is priced so competitively principally because it really is the only way to sell what is essentially a modified 1960-style Italian car. The Niva's original design hit its spartan interior trim, small fuel tank and rather rough ride,



*The Lada Niva: a significant export success for Soviet industry*

coupled with the growing competition in this sector of the market, has reinforced the low selling price strategy of Lada cars as a whole.

Despite the low price, the Niva has never really caught on in the UK. It is a different story on the Continent and in several other markets however, notably Canada, whose climate is similar to that of large tracts of the Soviet Union and where users appreciate its good snow-riding qualities.

According to the Soviet news agency Novosti, the Togliatti plant produced 719,000 cars of all kinds last year of which 65,144 were Nivas. This is considerably above the earlier production targets which were in the 55,000 range and reflects Soviet efforts to boost production from existing facilities.

The best foreign markets for the Niva have proved to be West Germany, which is estimated to have bought about 9,000 Niva cars since imports began four years ago, and France, which buys around 3,000 annually. Switzerland is another healthy market, reflecting once again the good hill climbing and snow and ice road-holding characteristics of the vehicle.

Snow and ice are strangers to Panama, which is another major market having taken between 3,000 and 4,000 vehicles so far. Other Third World countries in Africa and Asia have also bought the Niva for use in rough terrain. Here their toughness is appreciated but the small (under 10 gallon) capacity of the Niva fuel tank has proved a problem in such countries where petrol stations are often few and far between and the willingness to share the cramped space with smelly spare petrol tanks is limited.

Third World markets, where Japanese competitors are also active, earn useful hard currency for the Niva. But up to now success in European and North American markets has been the most gratifying indication of the Niva's worth. The success of the Niva in Canada has been particularly marked and led Lada Cars of Canada to commission a feasibility study for the construction of a Niva assembly plant in Canada.

This would have to use from 50 to 60 per cent Canadian components in order to achieve duty-free status for the rest of the imported kits. The idea was also to produce Nivas for export to other markets, especially in Latin America. Lada Cars also had plans to export the Niva to the U.S. market.

All such schemes now look decidedly shaky however in view of the harsher East-West climate following the military clampdown in Poland and attempts to impose sanctions on the Soviet Union. This could hit especially hard at non-essential manufactured goods imports like the Lada and Niva.

Apart from the Soviet Union, the only other major producer of four-wheel-drive passenger vehicles in the Comecon area is Romania, which produces the Aro and Tudor models. These lightweight four-wheel-drive vehicles are used mainly in Romania and a projected major marketing blitz on the UK market fizzled out last year when Tudor Vehicle Imports (UK), the Yorkshire-based importer of Romanian four-wheel-drive vehicles, went into voluntary liquidation.

Tudor originally intended to assemble up to 10,000 vehicles, mainly the Romanian version of the Renault 12 called the Dacia, but also four-wheel-drive vehicles. Now the scheme has come to nought but Romania, with its present hard currency crisis and desperate search for new markets, is still hoping to interest other customers, especially in the oil-rich Middle East, in both cars and four-wheel-drive vehicles in exchange for oil and other import needs.

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It can go through water two feet deep without giving you wet feet.

It can climb a 1 in 1¼ slope fully loaded.

It can enter and leave 40° inclines.

It can change from two-wheel-drive to four-wheel-drive and finally into cross-country low-ratio gear <u>while on the move.</u>

It has differential locks on both front and rear axles to maintain momentum even if just one wheel has traction. The locks can be engaged <u>while on the move.</u>

It can cruise across the roughest terrain comfortably, because of coil springs, a hydraulic steering damper to prevent jolts, and a body that's rubber mounted onto a rigid, ladder-frame chassis.

It can cruise effortlessly at 70 mph, because of its 2.8 litre fuel-injected petrol engine or 3 litre, 5-cylinder diesel engine.

It is available as a long wheelbase four-door model, and a short wheelbase two-door model.

Its anti-roll bar minimizes uncomfortable swaying in corners.

It has automatic transmission as standard with the petrol engine.

It has a one-piece rear door that provides easy access to a load area of remarkable capacity.

It has a long list of standard equipment, including power-assisted steering, a towing hook, headlight washers, a rear-window washer/wiper and fog lights, front and rear.

It is, in short, an off-the-road vehicle with surprising capabilities and an on-the-road vehicle with the integrity and reliability you'd expect from Mercedes-Benz.

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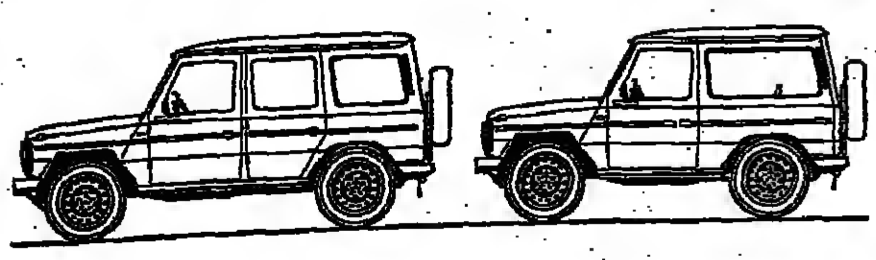
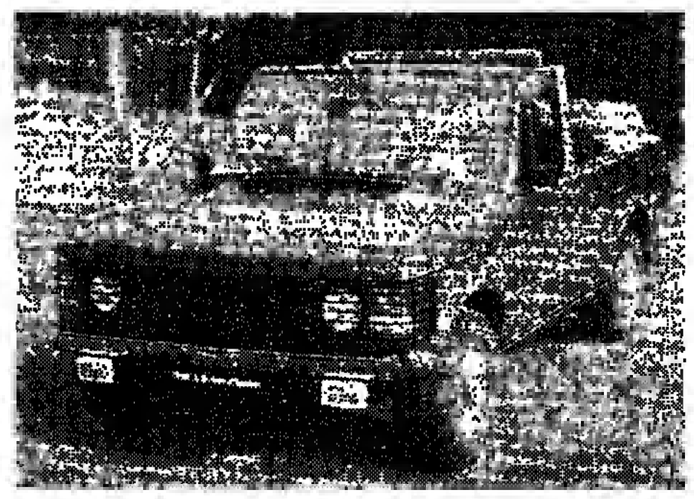


**Stuart Marshall** writes, first choose your vehicle—then learn how to drive it the expert's way

# Choosing to take the rough with the smooth



*Top and middle: the Fiat Panda and the Talbot Matra Rancho are two planned additions to the four-wheel-drive market to cater for the increasing demand for light 4 x 4 cars. Below: a convertible four-door Range Rover, restyled by coachbuilders Wood and Pickett, which offers a selection of up to 147 extras—from a stereo radio cassette player and four speakers to lamp protector grilles and air-conditioning*

FOUR-WHEEL drives cannot be all things to all users. Indeed, they may be divided into three main types.

First, the rough, tough end of the market. The vehicles competing in it were all inspired by the World War II Jeep. They go almost anywhere and are essentially small. cross-country trucks with seats. They come into their own where roads end and trackless terrain begins.

Long on mobility, they are short on creature comforts. Only a masochist would regularly use one on smooth tarmac in preference to a car. Examples are the short-wheelbase Land Rover, Daihatsu Fourtrak, Suzuki and the smallest kind of present-day Jeep.

Next, the more civilised vehicles: the college-educated relatives of the country boys just described. They are less likely to be strewn with straw or reeking of manure. Their seats are comfortable, the floor may be carpeted and they are suitable, if less than ideal, for long distance highway driving. Even so, they can take to the mud and mountains when needed.

Everything their uncouth forbears can do, they can do better—or at least, they can do it in greater comfort. The Range Rover, Toyota Land-Cruiser, Datsun Patrol and Daimler-Benz Geländewagen estate cars come to mind in this class.

The Lada Niva does, too, though not the estimable Subaru 4WD estate. Mostly, Subaru call their vehicle an all-road car, not an all-terrain machine. No road I have tried will defeat it, even though it may be steep and icy, or rutted and covered with inches of slime.

Finally, the vehicles that have four-wheel drive, not for climbing in and out of craters but for greater traction and handling safety on the road. The Audi Quattro, a 135 mph supercar that gives of its best to drivers of modest skill, is the sole representative of this type at the moment. It won't be for long. All the signs of an explosion of interest in smaller and cheaper road-going four-wheel-drive cars can be detected.

I have driven every kind of 4x4 I could lay hands on since the 1950s, though I have never tried an original wartime Jeep. The first vehicle to show men that four driven wheels are incomparably better than two on rough and slippery ground was an early Mk. I Land Rover. I read the instructions found out what the knobs were for and considered I then knew how to drive it across country.

Years later, when shown by one of Land Rover's experts, I realised I had been getting it all wrong. Even so, my old Land Rover rarely got stuck and nothing broke that I couldn't put right myself. I finally sold it at a profit to a Warren Street dealer and have had a warm regard for Land Rovers ever since.

Many of these veterans, with their non-rusting aluminium bodies and massive chassis, are still at work. The six-cylinder long wheelbase, recently superseded by the V8 Land Rover, was good on and off the road. The V8 is better. I once drove a forward-control Land Rover, a much larger version used mainly by the army, round Goodwood race circuit. I was not encouraged to hang the tail out on corners for its handling might kindly be called unruly.

The Range Rover is a different proposition. With its combination of fairly soft suspension and permanently engaged four-wheel drive, plus a centre differential to avoid transmission wind-up on hard roads, it can be used like an overgrown sports car.

At its press launch in 1970, we were urged to drive them harder and harder on an old airfield. "You won't turn them over," said Rover's then managing director, and no one did, though one went on two wheels for a bit when it slid on grass and hit a runway edge side on. The Range Rover, then less than £2,000 in the showroom, is still the best all-round light 4x4 in the world, though formidably expensive. It has become positively luxurious over the years, but despite its velour thrones and fitted carpets, it is as good as ever when up to its hubs in gluey mud.

There is a lot of development left in the Range Rover. an automatic, converted to Ferguson system four-wheel drive and fitted with a Chrysler Torque-Flite transmission by Schuler Presses of Sunninghill, was completely silent mechanically and felt like the offspring of a Range Rover crossed with a Ferrari. (The suspension had been modified and the tyres were Michelin XWX.) I thought it was as the Range Rover could be in a few years' time, though there won't be a long wait for a production line automatic.

A diesel Range-Rover is also coming, but is still a long way off.

Diesels suit on-off road four-by-fours. The small Daihatsu can be had with a 1.6 litre petrol engine or a 2.6 litre diesel. The diesel is better in every way—noise excepted—and I obtained 35 mpg on a 450-mile day trip. Toyota's latest Land-Cruiser, with a 4-litre, 6-cylinder diesel, is as nice a vehicle as the former 4.2 litre petrol-engined one was nasty. Even if cruised at motorway speeds, this massively roomy though long-legged estate car will return about 25 mpg. And the Daimler-Benz G-car (the Geländewagen) sustains 80 mph all day long on its 3-litre, 5-cylinder diesel at around 22 mpg. The 2.8 litre petrol automatic is faster, but much thirstier.

Off-road, the G-car has the advantage of lockable differentials. With a conventional 4x4, if you have the nearside wheels on concrete and the offside ones in a deep and slithery rut, you may stick. The differential gears allow the wheels on the least grippy surface to spin. But lock the differentials—as you can in the G-car and could in the tiny Austrian Haflinger—and you will move even if only one wheel can find something to bite on.

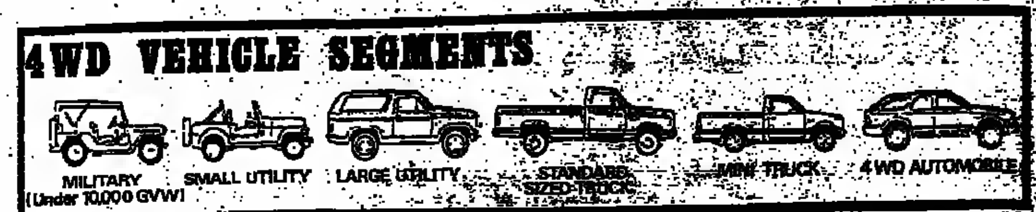
When Land Rovers were on two-year delivery, Eastern European four-wheel drives enjoyed some popularity here. I tried the Aro, from Romania, and thought it disagreeably coarse though it went over a tank testing ground well enough. The Tudor, a sort of four-wheel drive bread van, was rougher still, though a capable performer on evil terrain. The Niva, an ingenious cobbling together of Lada car parts and a permanently four-wheel driven chassis, needs a bigger engine and could do with a few inches more interior space, but there is nothing wrong with its cross-country performance.

Smallest and cheapest 4x4 at the moment is the Suzuki. It looks like a toy (especially alongside one of the more bloated Jeep station wagons), but amused me by doing most of the things a Land Rover will do except pull a trailer loaded with heavy hunters.

The Jeep has moved far away from its original concept. Even in the U.S. its sales have been decimated by rising fuel prices. It will pull anything but its cross-country capability is not in the Land Rover/Range Rover class, the ride is poor, the steering vague and fuel consumption acceptable only if you have an oil well of your very own.

The GM Jimmy (a badge-engineered Chevrolet Blazer) I tried in the States last year was not quite as bulky as the big Jeep wagons but, I thought, over-large for the British countryside. With a 6-litre V8 it had plenty of muscle.

Datsun's recently introduced Patrol is exceptional value. The petrol-engined 2.8 litre estate I have just had was fitted with three rows of seats (ideal for the school run), held a quiet 70 mph on the motorway and returned 20 mpg. Perhaps closer in concept to a U.S. 4x4 than a Range Rover or Gelandewagen, it was not wide enough to be cumbersome and the ride comfort was not at all bad. An ideal vehicle, really, for people who now spend as much on a large estate car which embarrasses them by getting stuck as they leave the gymkhana with the children's ponies in tow.




**There are three main types of four-by-four vehicles: the small cross-country trucks with seats; their carpeted, comfortable relatives; and the saloon car that gives safer handling on the road**

### PRICE GUIDE

The following four-wheel-drive vehicles are generally available in the UK. In addition, some U.S.-made light 4 x 4s may be obtained to special order. The prices are for the cheapest version of a particular model.

| | |
|---|---|
| Audi Quattro | £15,037 |
| Daihatsu short wheelbase: | |
| petrol | £5,721 |
| diesel | £6,383 |
| Datsun Patrol | |
| short wheelbase, hard top: | |
| petrol | £7,987 |
| diesel | £8,756 |
| long wheelbase estate: | |
| petrol | £8,994 |
| diesel | £9,747 |
| Jeep: Laredo | £8,499 |
| Cherokee station wagon | £9,454 |
| Lada Niva | £4,570 |
| Land Rover: short wheelbase, soft top | £6,465 |
| long wheelbase V8 pick-up | £8,240 |
| Mercedes Benz Gelandewagen | |
| 280GE petrol short wheelbase | £13,910 |
| 280GE petrol long wheelbase | £14,650 |
| 300GD diesel short wheelbase | £13,650 |
| 300GD diesel long wheelbase | £14,300 |
| Portaro Pampas diesel | £8,439 |
| Range Rover: | |
| two door | £12,670 |
| four door | £14,250 |
| Subaru: | |
| pick-up | £4,485 |
| estate car | £5,980 |
| Suzuki | £2,799 |
| Toyota: | |
| Land Cruiser (diesel) station wagon | £11,193 |
| Hi-Lux pick up (petrol) | £5,560 |

# How to handle a four-by-four — ignorance can be costly

GETTING THE most out of a 4 x 4 across rough country involves much more than squashing a Wellington boot on the accelerator and hoping for the best. Given the right techniques, a Land Rover or Range Rover, Daihatsu or Daimler-Benz Geländewagen—to name but four—achieve miracles of mobility. Wrongly treated they will get stuck, break down or both.

The correct method of driving one has as much—perhaps more—to do with riding a horse as with operating a machine. You choose the correct line, approach an obstacle with caution, urge your mount over and then collect it again in case an even worse hazard follows.

In essence, all popular four-wheel drives are much the same. They have two gearboxes. One, used like that in a normal car, is for multiplying engine torque for acceleration and hill climbing. The other allows the main gearbox to be used in two ranges—a high one for the road, a low one for severe off-road conditions.

Some four-wheel drives (the Land-Rover, Toyota Land-Cruiser and Datsun Patrol for example) are normally used on the road with rear-wheel drive only. Others—the Range Rover and Lada Niva are typical—are in permanent four-wheel drive.

Two- or four-wheel-drive machines may be used with rear-wheel drive only in high range but either high or low may be employed in four-wheel drive. As a refinement, free-wheeling front hubs save wear and tear, fuel and noise by stopping the front axle transmission from revolving at all when a vehicle like the Land Rover is in rear drive only. Many of the imported 4 x 4 have these hubs as standard; for a Land Rover, the Fairey company supplies them as approved accessories.

Although it all sounds rather complicated, driving over rough terrain is perfectly straightforward providing the concept of a four-wheel-drive vehicle is understood. Many owners have little idea what their can achieve because they have never learned to drive them properly.

Take the Land Rover, for example. There are about 200,000 of them in use in Britain alone. Cynics on Land Rover's staff reckon about one owner in 10 really knows how to drive one.

Most are aware that on the road, the red knobbed transfer gearbox lever stays forward so that only the back wheels are driven. If four-wheel drive, high range, is needed say on snow, a yellow plunger is depressed. And for low-range four-wheel drive, the red knobbed lever is pulled back. Then the Land Rover will climb slopes like the roof of a house, plough through mud troughs and tackle terrain on which a fox-hunter might prefer not to risk a valuable horse.

Even these basic truths are not always understood. Land Rover tell a horror story of a veteran employee of a public utility company who was issued with a new vehicle. He assured the salesman that he knew all about it and pointed to the red knobbed high/low gearbox lever. "I always pull that back in October and leave it there until April... it gives you better grip on icy roads," he said.

And of course it would. But it would also limit top speed to 35 mph, raise the noise level and fuel consumption to unacceptable heights, strain the transmission and wear out the tyres. That is why machines with permanent four-wheel drive have a third differential. It gets rid of the stresses caused by the extra revolutions the front wheels make when compared with the back wheels when a vehicle is turning a corner.

On really rough terrain the off-road driver has to forget all about normal motoring techniques. In low range, second gear is often better for climbing steep, slippery slopes than first, which would cause excessive wheel-spin. But for descending acute gradients, you choose first and under no circumstances touch the brake pedal. The engine's compression, spread equally to all four wheels through the transmission, safely holds your speed down.

It is the same when climbing. Should you stall the engine on an exceptionally steep slope—and even Land Rover's expert demonstrators do now and again—you bang in reverse gear instantly. The Land Rover (or any similar 4x4) will hang against compression. You sort out the best way to back down the hill and, with reverse still engaged, flip the starting key without declutching. The engine fires up and, at idling speed, literally winds you down the slope slowly and under full control.

The expert 4x4 driver coaxes his machine through hazards in the right gear, always with minimum engine revs and never with his thumbs hooked over the steering wheel rim—they can be dislocated, even broken, if a front wheel drops into a deep rut and the steering wheel suddenly jerks round.

He never plunges into water too quickly. "It may be deeper than you think and even if its fordable, the bow wave made by too high a speed could push the radiator back into the fan." And the expert is never afraid of getting out of the vehicle and having a look at what lies over a hill before he drives up it. More than one Land Rover driver has found to his cost that the slope he was storming up led to a vertical drop into a quarry.

*A Land Rover V8 station wagon—cynics on Land Rover's staff reckon about one owner in 10 really knows how to drive one*





# FOUR-WHEEL DRIVE

Despite the effects of a world recession and oil price rises, the variety of light four-wheel-drive models now available almost parallels the car market. But, whereas this sector was traditionally dominated by the United States, the steady growth in world production is now led by Japanese manufacturers.

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Editorial prodnction and design hy Catherine Darby

## Saloons: the shape of the future

By Kenneth Gooding
*Motor Industry Correspondent*

WORLD PRODUCTION of four-wheel-drive vehicles used to he dominated by the U.S. As recently as 1978 the States produced twice as many as the rest of the world put together.

By 1980, bowever, American output bad dropped steeply, hammered hy the oil price increases whicb virtually eliminated U.S. demand for light four-wheel-drive trucks used as pleasure vehlcles. Meanwhile, production in the rest of the world had heen steadily moving ehead, spearheaded by the Japanese, so that by 1980 U.S. and non-U.S. four-wheel-drive output was ahout equal.

While most car makers still view all-wheel-drive production es an operation away from the mainstream of their activities, the Japanese perceived that this type of vehicle gave them a way of geining a toehold in some developing countries—particularly markets where the import of built-up cars was unacceptable but utility vehicles were in a different category and therefore permitted.

Sendiog in four-wheel-drive vehicles enabled the Japaneso to set up the semblance of a distribution network and prepare for the time when they could follow through with ordinary cars. As a result the Japanese bave become the world's major manufacturers of four-wheel-drive vehicles and seven of the country's nine manufacturers are involved in the business in one way or another.

In 1980, the Japanese accounted for about 43 per cent of the worldwide output of all-wheel-drive vehicles, or around 358,000 out of 840,000. The iodications are that they increased their share last year. And Toyota has now overtaken Jeep of the U.S. as the major individual producer with a 1980 output of 185,000 vehicles, against Jeep's 125,684.

In its heyday, Jeep's output was around 270,000 a year and the company is determioed to make a come-back. The Jeep company became part of American Motors (AMC) in 1970 end more recently AMC has come under the control of Renault, the nationalised French group.

With Renault to help sort out its financial problems and share the development work on smaller and less thirsty cars for the U.S. market, AMC has been able to press on with four-wheel-drive developments.

According to Mr Roy C. Lunn, the British-born vice-president of product engineering for AMC, by the middle of next year his compaoy will be ready to launch a Jeep that is "new from end to end." It will be lighter and a lot less thirsty. He says the newcomer has been designed to sell throughout the world aod compete particularly with the Japanese products. "A major objective is to re-establish ourselves in export markets, to get some of the growth in the noo-U.S. markets."

If AMC is to succeed, though, much will depend on a recovery in the U.S. market and whether it can get back to the 1978 level when around 1m four-wheel-drive vehicles were produced in the States.

As with cars and commercial vehicles, however, there is really no such thing as a "four-wheel-drive market." In its owo way it is just as fragmented as the market for passenger cars and to a great extent parallels the car market in the variety of models available. They range from small runabouts offered by sucb companies at Daibatsu and Suzuki, through the work-horses represented hy Land Rovers and Toyota Land Cruisers, to the executive-type Range Rover and "leisure" vehicles from the Americans.

Military development played a big part in the early days of four-wheel drive. The U.S. used them io 1916 in the Mexican war instead of mules, for example. It was not until June 1940, though, that the U.S. Army drafted a specification for an "ideal" four-wheel-drive general-purpose vehicle and scout car. No fewer than 135 manufacturers were invited to bid hut only two showed any ioterest and the contract went to one of them, Willys-Overlaod of Toledo, Ohio.

Since the 1930s the various all-purpose vehicles in the States bad been called Jeeps, apparently after a character in the Popeye cartoons, and towards the end of the war Willys, which produced more than any other manufacturer (60,000 between 1941 and 1945).

As the American army spread its influence throughout the world during and after the war, so the universal potential of four-wheel-drive became apparent. And today demand for the four-wheel-drive "workhorse"—from the military, fire brigades, foresters, police and so on—is still the leest likely to suffer from the vagaries of fashion changes and is the most solidly-based—that about five times as maoy Land Rovers are produced in Britain as Raoge Rovers puts that into perspective.

The market segment which could have the biggest short-term impact on the four-wheel-drive production figures, however, is one for all-wheel-drive versions of saloon cars.

The recent success in European car rallies of the Audi Quattro, e four-wheel-drive version of the Audi 80 coupe, might bave a major influence. If rival manufacturers become convinced that they have to produce all-wheel-drive cars if they are to have any chance of winning rallies, a whole new segment of the market—for sporty, four-wheel-drive saloons—could develop.

There is a good argument, in any case, for all-wheel-drive family saloons because they handle hetter and are relatively safer on wet and icy roads.

Suharu of Japan, which already is involved in four-wheel-drive dressed in conventional saloon-car clothing, bas found its British customers are often middle-aged countryfolk willing to pay the premium for safety's sake.

When DaimlerBenz was in the process of launching its "G" waggon, it discovered that most all-wbeel-drive vehicles in Germany were registered in the Munich area. Two-thirds of tbe people who hougbt them already had another car, and yet they did considerable mileage in the cross-country vehicle —an average of 27,000 kilometres a year.

From this, D-B deduced that most of the four-wheel-drive vehicles were sold to people wbo wanted to be sure they could still travel when road conditions became difficult end who needed some conveyance to get them safely to the winter sports areas and back.

AMC's Mr Lunn sees the four-wheel-drive saloon car as a key element in the future American market for similar reasons. "As passenger cars are downsized, the need for four-wheel-drive to meet adverse driving situations will increase," he says.

But Lunn points out: "Fundamentally the success of foor-wheel-drive in the future will depend largely on product creativity. Four-wheel-drive vehicles are more complex, heavier, less fuel-efficient and more expensive than their two-wheel-drive counterparts, so to be competitive they need outstanding functional capabilities."

It will also depend on the efforts of those companies which, like AMC and Land Rover, have four-wheel-drive operations as part of their mainstream business.

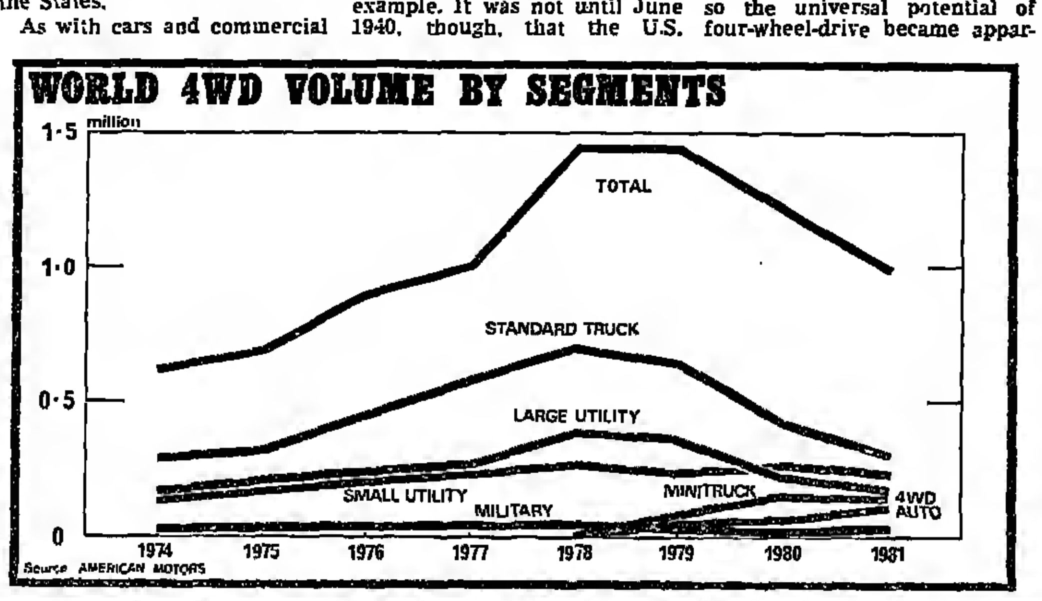
For example, in Austria Steyr-Daimler-Puch seems determined to play a greater role in the market. Not only is it producing the four-wheel-drive "G" waggon for Daimler-Benz, it bas also been having discussions with Volkswagen about building four-wheel-drive Transporters (VW's light commercial) and microbuses for the German group and with Fiat to provide four-wheel-drive units for the Panda saloon.

The "flow" of trade in four-wheel-drive vehicles around the world threatens to become quite a flood. Tbe Eastern Europeans, particularly Russia with the Lade Niva, see such vehicles as a useful export to earn bard currency. Renault seems determined to help the Jeep to he better established in Europe and elsewhere. To balance matters, BL might well put the Range Rover on the U.S. market through its existing Jaguar car dealers now that the Range Rover is in good supply and seems likely to remain that way.

Nissan of Japan plans to make about 20,000 four-wheel-drive Patrols in Spain—at Motor Iberica where it now has e controlling interest — and to export most of them to other parts of Europe.

All this activity, and the marketing efforts associated with it, should push non-U.S. four-wheel-drive production continually upward. AMC predicts that output outside the States will rise from just over 500,000 in 1980 to 700,000 by 1984 and possibly 900,000 by 1988.

For the U.S. AMC suggests that production can come back from just over 700,000 in 1980 to 1m by 1984 and nearly 1.1m by 1986. That would take world four-wbeel-drive output up from 1.2m in 1980 to between 1.9m and 2m in 1986.



# UK COMPANY NEWS

## R. Dutch/Shell little changed

NET INCOME reported by the Royal Dutch/Shell Group for 1981 showed a reduction from £2.23bn to £1.8bn. But excluding the effects of the FIFO method of inventory valuation and of FAS 8 currency translation and conversion income at £1.51bn was only slightly below the £1.55bn shown for 1980.

The directors state that the result was achieved despite the deepening recession, higher taxation and the impact on oil products markets of the appreciation of the dollar. Also group companies were handicapped, particularly in the first half, by a considerable crude oil cost disadvantage compared to competitors with substantial access to Saudian Arabian crude.

They say that the rapidly changing pattern of events during the yea ris highlighted by the recovery from £507m at halfway to £1,51bn in adjusted income.

Group income is dicided on a 60 : 40 basis between Royal Dutch Petroleum and Shell Transport respectively. Both companies are increasing their dividends. Shell Transport is lifting its total payment from 19.1p to 20.5p per 25p share, with a final of 11.9p; while Royal Dutch is paying Fls 7.50 (Fls 6.85), with a final of Fls 4.50, per Fls 10 share.

The directors state that at the end of the year depressed demand for oil products and the continued high level of crude oil production gave rise to renewed pressure on oil product prices. As a consequence, reductions in Government selling prices for crude oil have occurred, but many crudes remain overpriced in relation to products prices.

They say that in these circumstances crude oil prices will also remain under pressure, but "with the prevailing uncertainties no useful predictions can be made as to the ultimate price levels or the timeframe within which stability will be attained."

An analysis of the unadjusted net income figure by industry segment showed that earnings from oil and natural gas increased from £2.67bn to £2.85bn. In chemicals, excluding Shell Oil and Shell Canada, there were losses of £42m (£43m) and the directors state that on the basis of estimated current cost of supplies the losses were up from £48m to £91m. Elsewhere there were losses of £18m (£22m) mainly reflecting metals losses of £53m (£13m profits) less coal profits of £52m.

The directors state that group companies outside North America achieved a big improvement in the manufacturing, marine and marketing sector in the second half. Shell Oil lifted dollar earnings by 10 per cent. The oil and gas exploration and production sector both showed an improvement, but chemical earnings were significantly below 1980.

While Shell Canada's chemicals side reported slightly higher earnings, overall the company's dollar earnings fell as a result of higher oil and gas tax and a deteriorating oil products market, the directors state.

Excluding Shell Oil and Shell Canada, the exploration and production sector showed an improvement in earnings from £906m to £992m, resulting from higher prices. Earnings of the manufacturing, marine and marketing sector were lower — at £747m (£1.03bn) — but the losses of the first half — on the basis of the estimated current cost of supplies — were reversed as progressively improving trading conditions were experienced for most of the second half.

Losses on the chemicals side — on the basis of estimated current cost of supplies — were lower in the second half than in the first. The directors state that chemical losses began to decline as sales volumes and proceeds increased. However, despite plant closures and redundancies, the chemicals operations of many group companies in Western Europe remained well below economic levels.

Group tax charge at £3.92bn was £857m higher than in 1980. This increase arose in relation to oil and gas production.

Group operational data shows crude oil supply 3.67m barrels daily (4.1m); crude oil processed 3.32m barrels daily (3.77m). Total oil sales amounted to 4.63m barrels daily (4.9m).

Group companies' capital expenditure amounted to £3.9bn in 1981 — an increase of almost £1bn over the 1980 level. Excluding Shell Oil and Shell Canada capital expenditure increased by 20 per cent though this partly reflected inflation and weakening of sterling.

Long-term debt and capitalised lease obligations increased by £1.4bn, of which £886m was currency translation effects mainly relating to Shell Oil's dollar borrowings. In addition short-term debt increased by £458m. Cash and short-term securities amounted to £2.91bn and the long-term debt ratio was 27.2 per cent.

See Lex

### DIVIDENDS ANNOUNCED

| | Current payment | Date of payment | Corre-sponding div. | Total for year | Total last year |
|---|---|---|---|---|---|
| Anglo American Gold ... | 500‡ | April 30 | 600 | 1.000 | 1,150 |
| Brooks Watson ............ | 1.9 | May 7 | 0.65 | 2.25 | 1 |
| Cadbury Schweppes ...... | 3.3† | July | 2.9 | 4.6 | 4.1 |
| *Matthew Clark* .........int. | 2 | April 13 | 2 | — | 7.5 |
| T. Clarke ..................... | 1.12 | May 8 | 0.75* | 1.75 | 1.17* |
| Coronation Synd. ...int. | 2‡ | April 29 | 30 | — | 60 |
| East Lancs. Paper ......... | 1.84 | April 30 | 1.84 | 3.5 | 3.5 |
| Ewart New Northn. int. | 1.0 | April 5 | 1.0 | — | 4.0 |
| HTV ....................int. | 4 | May 6 | 3.5 | — | 10 |
| Independent Newspapers | 7 | — | 7 | 11 | 11 |
| William Jacks ............ | Nil | — | Nil | Nil | 0.35 |
| Thomas Jourdan ......... | 3.5 | — | 3.5 | 5.25 | 5.25 |
| Needlers ..................... | 4 | May 7 | 2.5 | 4 | 2.5 |
| *New Equipment* ......... | 0.7 | — | 0.7 | 1.05 | 1.05 |
| Nu-Swift Inds. ...2nd int. | 1.21 | April 2 | 1.21 | 2.14 | 2.05 |
| Penlos ........................ | Nil | — | Nil | Nil | 1.4 |
| Refuge Assurance ......... | 10 | May 7 | 8.4 | 14.5 | 12.3 |
| Thos. Robinson ............ | 2 | May 14 | 4 | 2.5 | 5 |
| Rosedimond Inv. Tst.2nd int. | 3.4 | April 30 | 3 | 6.5 | 6.5 |
| Royal Dutch Petrolmn.... | 4.50§ | — | 3.85 | 7.50 | 6.85 |
| Shell Transport ........... | 11.9 | May 25 | 10.5 | 20.5 | 19.1 |
| Staffs. Potteries ......int. | Nil | — | Nil | — | 0.01 |
| Stocklake ..............int. | 3 | April 5 | 1.5 | — | 6 |
| Tweefontein Colls. ...int. | 40‡ | April 29 | 97 | — | 194 |
| United Biscuits ............ | 3 | July 1 | 2.5 | 5.25 | 4.37 |

Dividends shown pence per share net except where otherwise stated.

* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ South African cents. § Dutch florins throughout.

## HTV profits double at midway

MORE THAN doubled pre-tax profits were shown by HTV, television programme contractor and fine art dealer, for the six months to January 31 1982. The taxable surplus rose from £1.51m to £3.48m on turnover ahead from £23.63m to £30.3m.

The interim dividend has been lifted from 3.5p to 4p—last year's final was 10p. Earnings per ordinary 25p share are stated higher at 17.43p, against 7.01p previously.

The directors state that the results achieved in television and fine art were exceptional and are most unlikely to be repeated in the second half.

A breakdown of turnover and pre-tax profits by division shows: television £22.38m (£17.67m) and £2.05m (£910,000); fine art £2.71m (£1.3m) and £807,000 (£261,000); publishing and stationery £5.21m (£4.66m) and £33,000 (£65,000). Pre-tax profits from property and leasing fell from £380,000 to £350,000.

The second half of the television division will be affected by the Fourth Channel subscription of £2.46m a year which took effect from January 1 1982. This will amount to £1.23m in the half year to July 31 1981.

Initial production problems with factory expansion, contrary to previous predictions, means that the publishing and stationery division, T. J. and J. Smith, is unlikely to return to profitability by the end of July. The directors point out that the diary trade is seasonal and a loss is usually incurred in the half year to July 31.

An Exchequer Levy of £3.45m (£1.44m) has been charged in arriving at pre-tax profits.

The pre-tax profits included investment income of £245,000, compared with a previous debit of £111,000.

The charge for tax rose from £780,000 to £1.68m.

### ● comment

HTV's more than doubling of TV profits on turnover up 26 per cent shows the benefit of buoyant advertising against a background of stable costs. However overseas sales have continued to be limited and now the fourth channel subscription will start to impact on profits. With its special position HTV does not believe that potential advertising revenue from the fourth channel will come near to outweighing the costs of subscription. The long-planned Culverhouse project is still in a state of limbo, pending the outcome of negotiations with S4C (the Welsh fourth channel). HTV does not now think that that the financing of the project, estimated at £10m-£14m in 1979, will require a rights issue. The publishing division ran into initial production difficulties following last year's £1m reorganisation. These problems are now over, but a loss this year is virtually certain. The boost in fine arts almost entirely due to the U.S. market. Having raised the interim dividend by 14 per cent, HTV is not saying anything about prospects for the final. The share price rose 10 per cent to an 1981-82 high of 125p the week before the figures. After the results it rose a further 18p to close at 146p, the highest since 1979.

## Cadbury expands 31.5% to over £80m year end

BOOSTED by much higher investment income, of £11.7m against £3.3m, taxable profits of food and drinks group Cadbury Schweppes moved 31.5 per cent ahead in 1981 from £61.3m to £80.6m. Turnover advanced to £1.27bn, compared with £1.2bn, a rise of 13.6 per cent.

The group has also reached agreement on two overseas acquisitions for a total outlay of some £50m.

Sir Adrian Cadbury, the chairman, says that 1981 was a year of "undoubted and encouraging progress," and he is confident that this will be sustained in the current year.

Pre-tax earnings per 25p share are 17.72p (18.06p), and on a net basis 11.32p (12.18p). The dividend is stepped up from 4.1p to 4.6p net with a final payment of 3.3p.

The geographical analysis of sales, and trading profits of £89.5m (£80.5m), shows: UK £706.6m (£691.9m) and £52.5m (£49.3m); Europe £118.4m (£97.8m) and £5.2m (£7.1m); North America £183.8m (£126.3m) and £8.7m (£6.1m); Australia £152m (£111.9m) and £11m (£7.6m); other overseas £108.2m (£91m) and £12.1m (£10.4m).

The group has reached an agreement to acquire Duffy-Mott Company, a subsidiary of American Brands Inc. for US$60m (£33m). Sir Adrian says that the acquision of the company, which sells apple, prune, tomatoe and other juices, is in line with group policy of developing interests in North America and will "give us a successful branded base for expansion in the apple juice market."

Duffy currently has 11 per cent of this market in America, 25 per cent of the apple sauce market and 8 per cent of the vegetable juice market.

Cadbury has also agreed with shareholders of Rioblanco S.A., of Spain, to acquire 66 per cent of that company's equity. The offer which is subject to Spanish Government appoval is Pta 2.64m (£14.2m)—spread over three years—for 49 per cent of the equity and the right to subscribe a further Pta 500m (£2.7m) for new shares), increasing the holding to 66 per cent.

Rioblanco, the largest single company in Spain's substantial soft drink industry and which currently has a 12 per cent market share, has held the Schweppes franchise in that country for 25 years. It is also involved in two Pepsi-Cola franchises in the south of Spain.

At the end of 1980 Rioblanco had net assets of Pta 3.47bn (£18.7m) and in that year turned in pre-tax profits of Pta 619m (£3.35m). Present shareholders of the company intend to retain a minority holding of 34 per cent, and the existing management will continue in office.

Above the line group interest payable was slightly less at £25.2m (25.7m) and associates' share was £4.6m (£3.2m), and profits were subject to a tax charge, more than doubled at £29.8m, compared with £12.8m.

This was primarily because of an increase in overseas profits and the decision to finance some UK capital expenditure with lease finance, the directors state.

After this item, minority interests, of £3.7m (£2.6m), and an extraordinary debit, much higher at £12.8m, against £4.5m, the attributable balance came through down from £41.4m to 34.3m. Dividends absorb 20.6m (£15.3m).

Within the extraordinary items are £10.1m provisions for foreseeable rationalisation costs to be incurred between 1982 and 1985, the directors say. These mainly relate to confectionery operations in the UK and Ireland, the "vast bulk" of which has been set aside for redundancies, they state.

Borrowings at the year end were reduced to £42m, compared with £106.3m at the beginning of 1981, and in addition to last year's rights issue proceeds of 5.3m, there was a cash inflow of £19.9m before adjusting for any exchange rate movements.

Profits, after tax, of Cadbury Schweppes Australia expanded by 33.7 per cent to A$10.7m (£6m). Pre-interest profits of the confectionery division jumped 48.4 per cent to $9.92m and the drinks side pushed up its surplus to $9.29m, a 20.8 per cent lift.

See Lex

## United Biscuits rises 24% and pays more

ALTHOUGH THERE was a slowdown in growth at United Biscuits (Holdings) in the second period, as anticipated, this food product manufacturer finished 1981 with taxable profits 24 per cent ahead at £60.9m, compared with £49.2m.

Turnover was pushed up from £880.3m to £1.03bn for the full period and the dividend is increased to 5.25p (4.37p) net per 25p share with a final distribution of 3p.

At the interim stage, profits had jumped by 50 per cent to £24.1m (£16.1m) and although the second period showed a lesser percentage increase despite significant progress in some areas, Sir Hector Laing, the chairman, considers the results "very satisfactory."

He explains that the severe weather last January, in both the UK and the U.S. inevitably disrupted deliveries and affected trade adversely, as did the rail dispute. Nevertheless the chairman says the group looks forward to a further satisfactory profit increase in 1982, particularly in the U.S.

He adds that with a strong balance sheet the group is therefore able to continne with its substantial investment programme.

Since the year end the group's biscuit company has acquired Joseph Terry and Sons, chocolate manufacturer, and Sir Hector is confident this company will provide a profitable foothold in the *confectionery market.*

Profits were struck after interest, well up at £11.9m, against £7.6m, and subject to an increased tax charge of £17.2m (£11.9m). After minority interests, the same at £0.1m, and an extraordinary credit of £7.4m (£20.3m debit) the available balance was much higher at £51m, compared with £16.9m.

Dividends absorb £16.3m (£13.5m) and earnings per share are 14.1p (12.6p).

On a CCA basis pre-tax figure is reduced to £50.4m (£39.2m).

See Lex

## Abwood £25,000 loss midway

For the half-year ended September 30 1981 turnover of Abwood Machine Tools dropped from £749,000 to £300,000 and the company suffered a £25,000 loss, compared with a 7,000 profit previously.

There is again no tax charge and loss per share is given as 0.74p, against earnings of 0.21p.

Mr Geoffrey J. Suckling, chairman, says he is confident that while the short-term figures will not be impressive, the company should revive in a stronger and more profitable form.

As reported on March 9, following a one-for-one £225,000 rights issue, with a par value of 7½p each, the company plans to unify the new and existing equity at a common nominal value of 7½p with an application for a capital reduction to £815,000. Existing shares have a par value of 10p.

## Reynolds Diversified changes

Reynolds Diversified, the Nevada-based energy group, is revising some of its earlier plans for a re-listing in London and development in the United Arab Emirates.

The board had been hoping that Reynolds would be swiftly quoted on the OTC/NET stock exchange in Denver which, with appropriate clearance by the London authorities, would lead to a resumption of dealings under Rule 163(1)G. These were frozen early last month when it was discovered that the shares were not quoted on any other exchange.

Now it turns out that the mooted market-makers in the U.S. were "regrettably" optimistic about the time it would take to obtain an Over-The-Counter U.S. quote.

Mr Lynne Brooke, the chairman, says the board "has no reason to suppose that Reynolds will not obtain an OTC quote and is not aware of any difficulties regarding the obtaining of that quotation."

Messrs Gittins and Co have agreed to become official brokers to the company and, in the meantime, Mr Brooke says that shareholders should be "comforted" by the fact that licensed dealers, Harvard Securities, continues to make an active market in the shares.

The future of the 17.45 per cent stake carried interest in the Ajman Concession is also being re-negotiated. The original idea was that Reynolds would transfer that interest to Delhi Pacific Resources in return for a 64.8 per cent holding. However, Reynolds is now discussing a "substantially increased and better structured offer from Chariot Resources." Delhi has consequently freed Reynolds from its obligation for that purpose.

## SPEEDEX

We have been asked to point out that the company named Speedex wound up by Sir Robert Megarry, Vice-Chancellor, in the High Court on Monday and reported in Tuesday's edition was not Speedex (Engineering) of Drighlington Yorkshire, a company manufacturing machinery for the plastics industry.

## Second-half decrease at New Equipment

Second-half taxable profits of tubular steel furniture maker, New Equipment, dropped from £123,967 last time to £109,152 leaving the full year figure, to end October 1981, at £202,059, compared with £151,474.

After tax of £91,006 (£51,117) yearly earnings per 10p share rose from 5.02p to 5.4p. The dividend total is unchanged at 1.05p net, with a same-again final of 0.7p.

Turnover improved from £2m to £2.35m.







THE TRING HALL USM INDEX
117.0 (unchanged)
close of business 11/3/82
BASE DATE 10/11/80 100
Tel: 01-638 1591

LADBROKE INDEX
Close 567-572 (+11)

## LONDON TRADED OPTIONS

Mar. 11 Total Contracts 1,440 Calls 1,161 Puts 279

| Option | Ex'rcise price | April Closing offer | Vol. | July Closing offer | Vol. | Oct. Closing offer | Vol. | Equity close |
|---|---|---|---|---|---|---|---|---|
| BP (c) | 260 | 28 | 53 | — | — | — | — | 280p |
| BP (c) | 280 | 12 | — | 22 | 3 | 28 | — | " |
| BP (c) | 300 | 6 | — | 10 | 1 | 16 | 12 | " |
| BP (p) | 260 | 8 | 12 | — | — | — | — | " |
| BP (p) | 280 | 20 | 1 | 24 | — | 30 | 10 | " |
| BP (p) | 300 | 38 | 20 | 40 | — | 46 | — | " |
| CU (c) | 140 | 11 | 7 | 15 | 10 | 19 | — | 146p |
| Cons. Gld (c) | 360 | 22 | 7 | 35 | — | 45 | 10 | 369p |
| Cons. Gld (c) | 390 | 10 | 3 | 20 | — | 30 | — | " |
| Cons. Gld (c) | 420 | 4 | — | 13 | — | 20 | 4 | " |
| Cons. Gld (p) | 390 | 23 | — | 35 | 8 | 37 | — | " |
| Cons. Gld (p) | 420 | 57 | 8 | 57 | 7 | 57 | — | " |
| Cons. Gld (p) | 460 | 97 | 1 | 97 | 1 | 97 | — | " |
| Ctlds. (c) | 70 | 18 | 25 | 18 | — | 22 | — | 88p |
| Ctlds. (c) | 80 | 7½ | 35 | 12 | 20 | 15 | 20 | " |
| GEC (c) | 700 | 134 | — | 152 | 2 | — | — | 821p |
| GEC (c) | 800 | 14 | 94 | 44 | 1 | 60 | — | " |
| GEC (c) | 900 | 14 | 2 | 20 | 2 | 27 | — | " |
| GEC (p) | 850 | 37 | 1 | 47 | — | 50 | — | " |
| Gr'd Met. (c) | 200 | 18 | 10 | 20 | — | 26 | — | 209p |
| Gr'd Met. (c) | 220 | 3 | 8 | 10 | — | 15 | — | " |
| Gr'd Met. (p) | 220 | 16 | 5 | 18 | — | 22 | — | " |
| ICI (c) | 300 | 42 | 21 | 54 | 5 | 60 | — | 335p |
| ICI (c) | 330 | 21 | 11 | 34 | — | 40 | — | " |
| ICI (c) | 360 | 7 | 25 | 15 | — | 24 | 2 | " |
| Mks & Sp. (c) | 130 | 18 | 6 | 21 | — | 25 | — | 144p |
| Mks & Sp. (c) | 140 | 9½ | 5 | 14½ | — | 17 | — | " |
| Mks & Sp. (c) | 160 | 2½ | 6 | 6 | — | 8½ | — | " |
| Shell (c) | 330 | 26 | 52 | 36 | — | 44 | — | 350p |
| Shell (c) | 360 | 9 | 25 | 23 | 7 | 32 | — | " |
| Shell (c) | 390 | 3 | 5 | — | — | — | — | " |
| Shell (p) | 330 | 9 | 47 | 15 | 60 | 18 | — | " |
| Shell (p) | 360 | 28 | 4 | 30 | — | 36 | — | " |
| Shell (p) | 390 | 54 | 10 | 55 | 10 | 66 | — | " |
| Shell (p) | 420 | 84 | — | 85 | 3 | — | — | " |
| | | May | | August | | November | | |
| Barclays (c) | 380 | 93 | 10 | 45 | 30 | 54 | 3 | 481p |
| Barclays (c) | 460 | 22 | 46 | 43 | 20 | 57 | — | " |
| Barclays (c) | 500 | 10 | 25 | 20 | 20 | 27 | — | " |
| Barclays (p) | 500 | 25 | 20 | 38 | 1 | 43 | 2 | " |
| Imperial (c) | 70 | 18½ | 15 | 21 | — | 23 | — | 87p |
| Imperial (c) | 80 | 10 | 144 | 13½ | 8 | 17½ | 3 | " |
| Imperial (c) | 90 | 4½ | 17 | 7 | 122 | 9½ | 3 | " |
| Imperial (p) | 90 | 6 | 7 | 7½ | — | 7½ | — | " |
| Lasmo (c) | 250 | 34 | 5 | 50 | — | 60 | — | 263p |
| Lasmo (c) | 280 | 22 | 3 | 37 | — | 47 | — | " |
| Lasmo (c) | 300 | 16 | 12 | 27 | 1 | 37 | 2 | " |
| Lonrho (c) | 70 | 7 | 14 | 10 | 7 | 11 | 10 | 74p |
| Lonrho (c) | 80 | 2 | 1 | 5½ | 7 | 7 | — | " |
| Lonrho (p) | 90 | 1½ | 30 | 3 | — | — | — | " |
| P&O (c) | 100 | 38 | 5 | 19 | — | 21 | — | 138p |
| P&O (c) | 120 | 18 | 5 | 19 | — | 21 | — | " |
| P&O (c) | 130 | 9 | 34 | 13 | 2 | 17 | — | " |
| P&O (p) | 140 | 5 | 8 | 8 | — | — | — | " |
| Racal (c) | 330 | 43 | — | 55 | — | 65 | 1 | 360p |
| Racal (c) | 360 | 25 | 11 | 35 | — | 47 | — | " |
| Racal (c) | 390 | 8 | 5 | 17 | — | 31 | — | " |
| Racal (p) | 360 | 33 | 3 | 35 | — | 37 | — | " |
| RTZ (c) | 390 | 40 | 5 | 55 | — | — | — | 419p |
| RTZ (c) | 420 | 24 | 60 | 35 | — | 50 | — | " |
| RTZ (c) | 460 | 10 | 8 | 20 | — | 32 | — | " |
| RTZ (p) | 420 | 22 | 1 | 32 | — | 35 | 4 | " |
| Vaal Rfs. (c) | 40 | 4 | — | 5½ | 4 | 4½ | 3 | $41 |
| Vaal Rfs. (c) | 45 | 2½ | 10 | 3½ | — | — | 3 | " |
| Vaal Rfs. (p) | 40 | 1¼ | — | 2 | — | 3 | — | " |
| Vaal Rfs. (p) | 45 | 5 | 1 | 6 | — | 2 | — | " |

C=Call P=Put

## EUROPEAN OPTIONS EXCHANGE

| Series | May Vol. | Last | Aug. Vol. | Last | Nov. Vol. | Last | Stock |
|---|---|---|---|---|---|---|---|
| GOLD C $325 | — | — | 3 | 36 A | — | — | $331.50 |
| GOLD C $350 | 8 | 9.50 | 28 | 25 | 105 | 30 | " |
| GOLD C $375 | 1 | 4.40 | 2 | 12 | — | 20 | " |
| GOLD C $400 | 10 | 2.30 | — | — | 13 | 16.50 | " |
| GOLD C $425 | 20 | 0.60 | — | — | — | — | " |
| GOLD C $450 | 100 | 0.40 | — | — | — | — | " |
| GOLD P $325 | 14 | 9 | 16 | 14 | 4 | 15 | " |
| GOLD P $350 | 230 | 23 A | 10 | 23 | 10 | 30 | " |
| GOLD P $375 | — | — | 4 | 44 | — | — | " |
| GOLD P $428 | — | — | 1 | 90 | — | — | " |
| 12¼ NL 81 87-91 | | | | | | | |
| C F.105 | 100 | 6.30 | — | — | — | — | F.111.30 |
| C F.107.50 | 55 | 3.90 | 167 | 3.90 | — | — | " |
| C F.110 | — | — | 186 | 2.20 | — | — | " |
| P F.107.50 | — | — | 20 | 0.60 | — | — | " |
| P F.110 | — | — | — | — | 100 | 1.50 | " |
| 12 NL 81 85-86 | | | | | | | |
| C F.102.50 | 90 | 2.60 | 2 | 3.30 | — | — | F.105 |
| 10½ NL 80 86-93 | | | | | | | |
| C F.97.50 | 165 | 4.80 | — | — | — | — | F.102.50 |
| C F.100 | 470 | 2.80 | 356 | 3 | — | — | " |
| C F.102.50 | 100 | 1 | 150 | 0.70 | — | — | " |
| P F.100 | 100 | — | — | — | — | — | " |
| 11¼ NL 82 88-92 | | | | | | | |
| C F.100 | 100 | 3.70 B | — | — | — | — | F.102.70 |
| C F.102.50 | 283 | 1.90 | 312 | 2.40 | — | — | " |
| P F.105 | 50 | 0.60 | — | — | 500 | 1.50 | " |
| | April | | July | | Oct. | | |
| ABN C F.300 | — | — | 6 | 1.90 | — | — | F.275 |
| AKZO C F.27.50 | 25 | 1.50 | — | — | — | — | F.28.60 |
| AKZO C F.30 | 35 | 0.50 | 5 | — | 13 | 1.50 | " |
| AKZO P F.27.50 | 55 | 0.50 | — | — | — | — | " |
| AMRO C F.50 | — | — | — | — | — | — | F.48.50 |
| HEIN C F.50 | 16 | 3.80 B | — | — | 8 | — | F.53.80 |
| HEIN C F.55 | — | — | — | — | 3 | — | " |
| HEIN P F.50 | — | — | 11 | 1.70 | — | — | " |
| HEIN P F.55 | 6 | 2.50 | — | — | — | — | " |
| KLM C F.90 | 6 | 14.50 | — | — | — | — | F.103.70 |
| KLM C F.95 | 16 | 7 | 43 | 12 B | — | — | " |
| KLM C F.100 | 16 | [illegible] | 24 | 7 | — | — | " |
| KLM C F.110 | 224 | 3.60 | — | — | — | — | " |
| KLM C F.120 | 155 | 1.80 | — | — | — | — | " |
| KLM P F.90 | 5 | 0.30 | — | — | — | — | " |
| KLM P F.95 | 55 | 0.80 | — | — | — | — | " |
| KLM P F.100 | 36 | 2.20 | 28 | 8 | — | — | " |
| KLM P F.110 | 15 | 9 | — | — | — | — | " |
| NEDL C F.120 | — | — | 3 | 3.60 | 8 | 3.20 | F.111.20 |
| NEDL C F.125 | 10 | 0.60 | — | — | — | — | " |
| NEDL C F.130 | 5 | 9 | 15 | 16 | — | — | " |
| NEDL P F.130 | 7 | 18.70 | 6 | 22 | — | — | " |
| NEDL P F.140 | 7 | 29 | — | — | — | — | " |
| PETR C Fr.5000 | — | — | 10 | 150 | — | — | Fr. 4540 |
| PHIL C F.20 | 334 | 2.60 B | 9 | 2.80 | 8 | 1.90 A | F.22.60 |
| PHIL C F.22.50 | 79 | 0.60 | 156 | 1.10 | 3 | — | " |
| PHIL C F.25 | 134 | 0.20 | 161 | 0.60 | 230 | 1 | " |
| PHIL P F.20 | 800 | 0.10 | 40 | 0.50 | — | — | " |
| PHIL P F.22.50 | 50 | 0.80 | 41 | 1.50 | 30 | 1.50 | " |
| POLA C $25 | — | — | 9 B | — | — | — | $17⅜ |
| RD C F.70 | 21 | 9 | 6 | 10 | 11 | 8.20 B | F.76.50 |
| RD C F.75 | 488 | 2.60 | 81 | 4.80 | 11 | 5.80 B | " |
| RD C F.80 | 54 | 0.40 | 81 | 1.70 | 6 | 2.50 | " |
| RD C F.100 | 28 | 0.10 | — | — | — | — | " |
| RD P F.70 | 238 | 0.50 | 171 | — | 7 | 3.50 A | " |
| RD P F.75 | 300 | 1.80 | 108 | 2 | 1 | 7 | " |
| UNIL C F.150 | 13 | 5.80 | — | 7.50 | 5 | — | F.154 |
| UNIL C F.150 | 51 | 0.70 | — | — | — | 3.60 | " |
| UNIL P F.150 | 59 | 2.50 | — | — | — | — | " |
| UNIL P F.160 | 13 | 5.60 A | — | — | — | — | " |

TOTAL VOLUME IN CONTRACTS: 7778

A=Asked B=Bid C=Call P=Put

Notice to Holders of

**ORIENT FINANCE CO., LTD.**

(KABUSHIKI KAISHA ORIENT FINANCE)

5¼ Per Cent Convertible Bonds Due 1997

Pursuant to Clause 7(B) of the Trust Deed dated 2nd February 1982 notice is hereby given as follows:

1. A free distribution of Shares of the Company will be made to shareholders registered on 31st March 1982 at 5:00 P.M., Japan Time, at the rate of 0.2 Shares for each Share then held.
2. As a result of such distribution, the Conversion Price at which the above-mentioned Bonds may be converted into Shares of the Company will be adjusted, in accordance with Condition 5(C) of the terms and conditions of the Bonds, effective as of 1st April, 1982, Japan Time, from Yen 1,567 per Share to Yen 1,305.40 per Share.

ORIENT FINANCE CO., LTD.
By Daiwa Bank Trust Company
as Principal Paying Agent

Dated: March 11, 1982

## J. C. PENNEY EUROPE, INC.

Notice to the Holders of 6% Convertible Subordinated Guaranteed Debentures Due 1989 Convertible into Common Stock of 50¢ par value of J. C. Penney Company, Inc.

NOTICE IS HEREBY GIVEN that the conversion price at which the 6% Convertible Subordinated Guaranteed Debentures Due 1989 of J. C. Penney Europe, Inc. are convertible into Common Stock of 50¢ par value of J. C. Penney Company, Inc. has been reduced from $54.50 to $53.55, as a result of such adjustment, effective on and after February 3, 1982.

F. F. HUBBARD
Vice President and Treasurer
J. C. PENNEY COMPANY, INC.

February 2, 1982

Companies and Markets

# UK COMPANY NEWS

## Interest again absorbs Pentos profit

AGAINST A forecast of a return to profits in the second half of 1981 Pentos incurred a loss, before tax, of £409,000, after interest charges of £1.13m. This took the deficit for the full year up to £1.87m, compared with £2.22m for 1980 when the second-half loss was £2.82m.

There is no dividend compared with an interim and only payment of 1.4p in 1980. In 1979, a total of 4.025p was paid from record profits of £4m.

Sales of the group—which has been engaged in a closure and reorganisation programme—showed a reduction from £74m to £70m. Trading profits came through at £688,000 against £1,016,000 but these were more than absorbed by interest charges of £2.56m (£3.24m).

Mr Terry Maher, the chairman, explains that shortly after making his forecast of second half profits interest rates rose by 4 per cent which meant a sizeable increase in interest charges, "but the impact this had generally on business confidence was also of crucial importance." Demand, which had looked to be making a hesitant recovery "was hit firmly on the head," he says.

An analysis of the year's trading results shows that the group was hit hardest in its publishing and bookselling division—where losses increased from £312,000 to £484,000—and on the engineering side where profits fell sharply from £1.19m to £284,000.

The chairman says that the group's two major objectives in 1981 were to complete the programme of closures and reorganisations started in 1980 and made necessary by the collapse of demand particularly in manufacturing industry; and to reduce borrowings.

Mr Maher says that the full impact of the measures is reflected in a reduction in the number of employees from 3,833 in 1980 to 2,150. The reorganisation and closures have resulted in an extraordinary charge of £2.1m to net profits, but the chairman says he foresees no significant costs of this nature in 1982. Redundancy costs incurred by continuing operations have been charges against trading profits.

During the year the group has cut borrowings by £4.5m to £10.5m.

The chairman says he expects a continuation of the trend of improved trading profits. There are small signs of increased demand in the group's manufacturing businesses, particularly from overseas markets.

● **comment**

At the interim stage, the chairman of Pentos held out a slight hope that the group could break even in the full year. Instead, it has produced another very large loss. The reversal late in the year is said to be due to the rise in interest rates and the effect it had on the group's main markets, notably for furniture, books and greenhouses. However, Pentos is looking a lot better than it was a year ago. Borrowings are down £4.5m to £10.5m, stocks have been reduced by £6m to £15.5m and staff has been reduced by £6m to £15.5m and staff has been reduced by £8m to £15.5m and staff has been reduced by almost a third to 2,100. Even without an improvement in demand this year, trading profits should continue the good recovery of the second half while borrowings are set to fall another £4 or so. At 15p, up 2p, the market capitalisation is £9.6m.

## Matthew Clark higher

FOR THE eight months to December 31, 1981, Matthew Clark and Sons (Holdings) increased pre-tax profits from £1.73m to £1.87m and the directors anticipate that the full-year figures will be comparable with those for 1980-81.

The directors consider the interim results satisfactory in view of the depressed trading conditions. The company's activities include wine and spirit shipping and merchanting and wine making.

Turnover for the eight months rose from £40.92m to £44.94m, and from £24.5m to £27.8m after deduction of Duty. Net available profits were ahead from £1.05m to £1.2m after minorities of £0.67m (£0.68m).

The interim dividend is unchanged at 2p per 25p share, costing £86,329 (£84,462). Last year's total payout was 7.5p on taxable profits of £1.94m.

● **comment**

Matthew Clark's trading profits are nearly £150,000 better but that masks considerable behind the scenes movements. The English wine business, J. E. Mather, continues to expand — the drop in minorities, always a clue to the company's profits, has been distorted by a special dividend worth £75,000 to Clark. Crockerton Haulage is still in the red — £122,000 this time against a reported £65,000 loss, though a more realistic comparison would be £142,000 if the accounting treatment was standardised. A new acquisition, Cowen, chipped in £52,000 but Clark has lost Glenlivet whisky —worth £67,000 pre-tax last time. On the other side Clark has linked up with Macallan-Glenlivet, Graham's Port and Chartreuse. Ultimately these should more than balance out Glenlivet. Meantime, Martell Cognac has produced a 4 per cent volume gain in a falling market and Stones Ginger Wine has sold well in the cold snap. McLeod has become the ultimate holder of Warren's 9 per cent stake, following a takeover, and that company could be a willing seller. A brake on the price perhaps but 160p is high enough anyway while profits are static. The yield is 6.8 per cent.

## Staffs. Potteries halves loss

FIRST-HALF 1981-82 trading results of Staffordshire Potteries (Holdings) show an improvement, with pre-tax losses halved, thanks largely to gains in productivity achieved by the manufacturing divisions of the group, particularly in the dinnerware operation.

For the six months to December 31 1981, the deficit before tax has been cut from £595,000 to £294,000, but there is again no interim dividend. Last year a nominal final of 0.01p was paid and pre-tax losses totalled £1.34m.

Turnover for the half year was £8.41m (£8.47m) of which £0.51m (£0.67) related to the discontinued operation at Wiveliscombe. At the trading level, the group made profits of £178,000, against losses of £119,000 last time which included £62,000 from the discontinued activity.

The closure of the factory at Wiveliscombe is complete, the directors state, and contracts have been exchanged for the sale of land and buildings there for £185,000.

First-half interest charges were little changed at £472,000 (£476,000)—the proceeds of the rights issue were received on November 13 1981, and thus made only a small impact on interest payments. No tax is again payable and after minority credits of £3,000 (£2,000) the attributable deficit came to £291,000, compared with £593,000.

Stated loss per 25p share decreased from 10.54p to 5.71p.

In the home market the effects of the recession have restrained demand and margins have remained under pressure. Export sales outside North America have recovered with an increase of 18 per cent. Business in North America has continued to be difficult, but gross margins have been improved and overhead costs reduced to contain losses incurred there.

In order to combat the low level of economic activity and severe price competition at home and in North America, new product development is being continuously pursued. Normal production volumes are being maintained in all manufacturing divisions and further productivity gains are being made.

● **comment**

The surge in trading profits on the continuing operations of Staffordshire Potteries in the first half of calendar 1981 (the group's second half) turns out to have been based very largely on the exceptional demand for commemorative ware generated by the Royal Wedding. In the first half of the group's current year, trading profits are about half the level obtained in the January-June period. The U.S. and Canadian operations are still in loss while margins at home remain under pressure. Pre- and post-Christmas trading was not strong and so it looks like the return to break-even will be postponed until next year. At 31p, down 2p, the total market capitalisation is about £3.4m, slightly less than half shareholders' funds following last autumn's rights issue and the retained loss in the first half.

## Refuge Assce. lifts payment by 18%

Net taxed profits of Refuge Assurance Company advanced 17 per cent last year from £3.07m to £3.60m as a result of substantially higher transfers from the two life funds. Shareholders receive an 18 per cent dividend increase for the year of 14.5p per share, against 12.3p last year, with a 10p final.

The large Industrial Branch lifted its contribution 23 per cent from £1.6m to £1.95m, while the smaller Ordinary Branch increased its transfer by 14½ per cent from £1.2m to £1.38m. The General Branch again contributed £50,000 to profits.

A slower growth in premium income was recorded in 1981, compared with 1980, with both the Industrial and the Ordinary Branches having a 7 per cent increase—the former from £48.75m to £52.13m and the latter from £22m to £23.5m. Premiums rose by less than 5 per cent in the Fire and Accident Branch from £9.7m to £10.2m.

Higher bonus rates on all with-profit policies in the Ordinary Branch were announced last week.

## LIFE & HEALTH FOODS RECEIVER

Mr Martin Page of chartered accountants Peat, Marwick, Mitchell, Norwich, has been appointed receiver and manager of Life and Health Foods (Wholesale) of Fifers Lane, Norwich.

Mr Page says the company will continue trading from its main warehouse at Norwich and its shops in Grantham and Norwich pending negotiations for the sale of the business.

**SPAIN**

| March 11 | Price % | + or − |
|---|---|---|
| Banco Bilbao | 344 | +8 |
| Banco Central | 348 | +3 |
| Banco Exterior | 302 | |
| Banco Hispano | 320 | |
| Banco Ind. Cat. | 110 | |
| Banco Santander | 352 | +8 |
| Banco Urquijo | 221 | |
| Banco Vizcaya | 363 | |
| Banco Zaragoza | 242 | +3 |
| Dragados | 156 | +7 |
| Espanola Zinc | 61 | |
| Fecsa | 59.2 | +1 |
| Gal. Preciados | 42 | |
| Hidrola | 63.2 | +1 |
| Iberduero | 31.2 | +0.3 |
| Petroleos | 94 | +1.8 |
| Petroliber | 97 | |
| Sogefisa | 14 | |
| Telefonica | 72.3 | +0.3 |
| Union Elect. | 63 | +0.3 |

THIS NOTICE DOES NOT CONSTITUTE AN OFFER FOR SALE AND THE STOCKS LISTED BELOW ARE NOT AVAILABLE FOR PURCHASE DIRECT FROM THE BANK OF ENGLAND. OFFICIAL DEALINGS IN THE STOCKS ON THE STOCK EXCHANGE ARE EXPECTED TO COMMENCE ON FRIDAY, 12th MARCH 1982.

## ISSUES OF GOVERNMENT STOCK

The Bank of England announces that Her Majesty's Treasury has created on 10th March 1982, and has issued to the Bank, an additional amount of £100 million of each of the Stocks listed below:

**12¼ per cent EXCHEQUER STOCK, 1992**
**13½ per cent EXCHEQUER STOCK, 1994**
**12½ per cent EXCHEQUER STOCK, 1994**
**12 per cent TREASURY STOCK, 1995**
**14 per cent TREASURY STOCK, 1996**

The price paid by the Bank on issue was in each case the middle market closing price of the relevant Stock on 10th March 1982 as certified by the Government Broker.

In each case, the amount issued on 10th March 1982 represents a further tranche of the relevant Stock, ranking in all respects pari passu with that Stock and subject to the terms and conditions of the prospectus for that Stock, save as to the particulars therein relating to the amount of the issue, the price payable, the method of issue and the first interest payment. Copies of the prospectuses for the Stocks listed above, dated 18th March 1977, 30th May 1980, 5th August 1977, 9th September 1977 and 22nd February 1980 respectively, may be obtained at the Bank of England, New Issues, Watling Street, London EC4M 9AA.

Application has been made to the Council of The Stock Exchange for each further tranche of stock to be admitted to the Official List.

The Stocks are repayable at par, and interest is payable half-yearly, on the dates shown below:

| Stock | Redemption date | Interest payment dates |
|---|---|---|
| 12¼ per cent Exchequer Stock, 1992 | 25th August 1992 | 25th February 25th August |
| 13½ per cent Exchequer Stock, 1994 | 27th April 1994 | 27th April 27th October |
| 12½ per cent Exchequer Stock, 1994 | 22nd August 1994 | 22nd February 22nd August |
| 12 per cent Treasury Stock, 1995 | 25th January 1995 | 25th January 25th July |
| 14 per cent Treasury Stock, 1996 | 22nd January 1996 | 22nd January 22nd July |

Each further tranche of Stock issued on 10th March 1982 will rank for a full six months interest on the next interest payment date applicable to the relevant Stock.

BANK OF ENGLAND
LONDON
10th March 1982

Companies and Markets

# UK COMPANY NEWS

## Nu-Swift down to £0.6m but final is maintained

PRE-TAX LOSSES of £33,000 were incurred by NuSwift Industries in the second half of 1981. This compares with profits of £450,000 for the corresponding period in 1980.

Pre-tax profits for the full year dropped from £1.09m to £566,162. Turnover of this manufacturer of fire extinguishers and extinguishing agents was down from £13.36m to £12.87m, with UK sales lower at £5.86m against £7.98m. Exports were also down at £2.43m (£3.14m), but overseas sales improved from £746,197 to £1.71m.

The second interim dividend is unchanged at 1.21p net, but the total is raised from 2.05p to 2.135p. The directors point out that the company has paid dividends continuously for 21 years and at one time have they been reduced.

Looking at the year's figures, the directors say they cannot ignore the unusually difficult trading problems arising from the world's economic conditions which gave the group no respite. High interest rates prevailed and there was severe competition throughout the world on prices.

There were excellent results, however, fro mthe service and maintenance division in the UK, but New South Wales, Australia, turned in disappointing results and traded at an unexpected high loss. The management organisation was restructured last October to re-establisb a firmer base for 1982 and beyond.

Switzerland and Victoria, Australia, produced reasonable results, but Holland, in the forefront of its own economic difficulties, turned in poor results. It has, however, budgeted to return to profit in 1982.

The directors say that the group maintained a strong liquidity position which showed an overall improvement of £110,000 over 1980. It did not find it necessary to utilise any of its UK borrowing arrangements.

There have been much tighter financial controls in all parts of the company, and factory and office staff numbers have been reduced by 60 personnel. Factory and offices returned to a five-day working week on March 1.

*The in-field senior sales staff* work programmes have been restructured with effect from February 1, and from the date of its inception of March 5, the home market order intake exceeded the like period of 1981 by 21 per cent. They say that export orders received in January and February this year increased by 20 per cent.

The directors believe that the setbacks in the group's overseas selling subsidiaries are things of the past and overall they are expected to trade profitably during 1982.

There was a tax charge for the year of £183,262 (£288,096) and minorities took £2,222 (contributed £1,796), leaving attributable profits of £380,678 (£512,606, which was after extraordinary debits of £291,000). Unappropriated profit from previous years was £291,306 (£291,963).

On a CCA basis, pre-tax profits were £390,000 (£593,000) and earnings per share were 1.085p (2.98p).

● **comment**

Just when NuSwift Industries thought it had shaken off its troubles overseas they returned with a bang in 1981. Remedial action in the loss makers and a general brushing up all round have started to bear fruit. The 7 per cent cut in workforce will give rise to redundancy costs in the current year but these will be matched by the related savings, which in 1983 are expected to amount to £300,000. The improvements, combined with continued good control of stocks and debtors and a low level of borrowings, point to a recovery from the second half loss to a profit a midterm. However, a recessionary times fighting tomorrow's fires does not rank as a high priority with customers and the increase in orders so far this year has had to come from more aggressive marketing by the company. Even though margins should rise, the group will have to work hard to keep sales moving. On last year's setback the shares slipped 3½p from a 12 months high, to 33½p, but a fully taxed p/e of 24 looks to profits coming alight again.

## Stocklake's halftime upsurge

A RISE of £652,000 in pre-tax profits at Stocklake Holdings gives £2.29m for the six months to September 30 1981. Turnover rose from £15.54m to £17.72m.

The interim payment has been doubled to 3p. The directors point out that the extent of the increase should not be taken as any indication of the likely amount of the total dividend.

The last total dividend was 6p, including a final of 4.5p, which was paid from pre-tax profits of £2.38m on turnover of £32.11m.

The group's trading operations continued satisfactorily during the first half-year despite difficult conditions, say the directors. Results so far achieved for the second half indicate that this should also be satisfactory.

Exchange differences related to the sterling equivalent of net current assets of overseas subsidiaries have been taken direct to reserves, say the directors. This represents a change from the previous accounting policy under which such differences were included in the group profit.

The group's main activities are in exporting, importing and distributing, steel stockholding and financing.

● **comment**

Stocklake's shares took off yesterday and ended up 16 per cent higher at 128p. This jump pushed Stocklake's prospective fully-taxed p/e to 2.3 from 2, assuming the company turns out similar profits in the second half. The rating fully discounts the company's heavy dependence nn Africa for its profits—77 per cent of last year's trading profits were earned from steel stockholding activities on that continent. But it also reflects the company's extreme reticence to talk about itself, a policy which has turned Stocklake into a black box for the average investor. The shares are thinly traded however, as nearly 50 per cent are held by companies nwned or managed by Rea Brothers. The increased dividend reflects the company's intention to reduce the disparity between the interim and final pay-out. Assuming another 3.5p at the final, the shares have a prospective yield of more than 7 per cent.

### CARROLL GROUP

Rush and Tompkins and Carroll Group have ended their joint development of an industrial estate and a residential estate at Chelmsford. Carroll is a long established privately-owned diverse trading group with significant property interests and has *no connection with the Dublin-based* cigarette and tobacco group, of similar name, as indicated in yesterday's report.

## Progress at East Lancs. Paper

TURNOVER FOR 1981 of the East Lancashire Paper Group rose from £38.56m to £43.35m and pre-tax profits were ahead from £103,000 to £569,000, with £251,000 against £40,000 coming in the second half.

Despite the increase, however, the directors say the year's profits reflect the effects of weak demand and severe cut-price foreign competition. A more significant recovery in performance has been hampered by substantial reorganisation within the merchant group, coupled with ESM's need to continue trading longer than anticipated in loss-making lines, in order to ensure the sale of the gift stationery side.

The final dividend is maintained at 1.84p net for an unchanged total of 3.5p per 25p share. Stated earnings per 25p share declined from 14.5p to 7.3p.

Attributable profits for the year dropped from £225,000 to £92,000, after charging tax of £155,000 (crediting £697,000), extraordinary debits of £308,000 (£563,000) and minorities.

Interest payments were up from £351,000 to £374,000.

The mill has continued its programme of technical development aimed at achieving further productivity improvements. Process control computers have been installed to two more paper machines at a cost of £0.5m in the finishing department. A £1m cut siza investment cama on stream in February 1982 and is already giving improvements in productivity.

The company's South Wales converting subsidiary managed, in depressed trading conditions, to maintain output and despite increases in the cost of raw materials and services, contributed a profit in line with the previous year.

● **comment**

At the half-year, East Lancs' chairman said the company was poised on a knife edge today, the position is much the same, but the knife is a bit blunter. The company has been fighting to increase volume in a market which has been successfully invaded by foreign competitors and is not gaining in size. East Lancs has managed to push np volume in fina paper by 13 per cent and 19 per cent in packaging. These are creditable results, but are accompanied by paper-thin margins which could disappear if demand weakens in the current year. If the worst doesn't happen, then East Lancs will emerge from tha recent traumas in much better shape. The shares, np 2p to 56p, are trading on a historic p/e of around 11 which is undemanding. The uncovered dividend provides a historic yield of more than 9 per cent.

## T. Clarke pays more

THE FINAL dividend at T. Clarke, electrical contractor, has been effectively increased to 1.12p on higher pre-tax profits of £641,718 for 1981, compared with £582,005. Turnover moved ahead by £2.13m to £16.43m.

The total payment per ordinary 10p share has moved ahead to 1.75p. The previous adjusted total was 1.6667p after a final of 0.746p. Second half taxable profits improved from £305,349 to £366,942.

There was a tax charge this time of £216,193, against a previous credit of £738,369. Attributable profits emerged sharply lower at £425,525, compared with £1.32m. On a current cost basis the attributable result fell to £347,279 (£1.24m).

# MINING NEWS

## Amgold pays a final of 500 cents

BY KENNETH MARSTON, MINING EDITOR

A RATHER better than expected final dividend of 500 cents (27¼p) for the year to February 28 is declared by Anglo American Gold Investment ("Amgold"), the Anglo American Corporation group's 49 per cent-owned major South African gold share investment company.

The payment brings the year's total to 1,000 cents and comes out of earnings equal to 1,122 cents per share. Amgold paid a total of 1,150 cents for 1980 out of earnings of 1,435 cents.

Reflecting the fall in gold prices, Amgold's latest attributable profits have come back to R246.3m (£138.3m) from R314.9m. The February 28 market value of investments amounted to R1.89bn compared with R2.33bn a year previously.

Amgold says that in future interim dividends will be declared in September and be based on the actual results for the first six months of the financial year: previously the interim has been declared in August on the basis of estimated distributable earnings for the period.

| | 1982 R000 | 1981 R000 |
|---|---|---|
| Investment income | 248,934 | 321,375 |
| Interest earned | 9,398 | 4,208 |
| Making | 259,332 | 325,583 |
| Admin. and other exp. | 3,839 | 3,425 |
| Interest paid | 256 | 677 |
| Prospecting costs | 4,537 | 3,903 |
| Profit before tax | 250,700 | 317,578 |
| Tax | 2,268 | — |
| Profit after tax | 248,432 | 317,578 |
| Preference dividends | 2,085 | 2,625 |
| Attributable | 246,347 | 314,953 |
| Earnings per share—1,122.2 cents (1981: 1,434.7 cents) | | |
| Dividends (interim) of 500 cents (1981: 550 cents) per share | 109,760 | 120,736 |
| (Final) of 500 cents (1981: 600 cents) | 109,760 | 131,712 |
| Retained profit | 26,827 | 62,505 |
| Unappropriated profit, Feb 28 1981 | 18,544 | 5,907 |
| Adjustment thereto for changes in exchange rates | (703) | 132 |
| Appropriatn. to resrvs.: | | |
| Non-distrib. reserve | 1,250 | — |
| General reserve | 25,000 | 50,000 |
| Unappropriated profit, Feb 28 1982 | 18,418 | 18,544 |

The latest fairly full payout underlines the fact that Amgold closely bases its dividends on actual earnings. For this reason a fairly sharp reduction in the payment can be expected for the current year unless there is a dramatic revival in gold prices.

Prior to the latest results the shares closed at £28½ in London yesterday.

Meanwhile, it is reported from Johannesburg that the fall in the bullion price has now resulted in 10 South African gold mines operating at a loss; there are about 37 major gold producers in the republic.

Consequently, it is argued that there could be further mergers ahead, likely candidates including Western Areas with its more prosperous neighbour Randfontein Estates.

Such moves could ease the burden of state assistance on the South African Government. There has been talk that such assistance might be curtailed, possibly in the coming Budget on March 24, but in Johannesburg it is pointed out that the Government will be anxious to avoid any mine closures in view of the resultant increase in unemployment among Black workers.

## Ireland's Mogal to shut down

THE lead-zinc mine of Mogul of Ireland in County Tipperary is to close by the end of July this year, or possibly even earlier, according to Canada's Kerr Addison Mines, which owns 75 per cent of the operation.

Kerr Addison, in which the big Noranda group has a 42.7 per cent stake, attributed the closure to the exhaustion of ore reserves, low metal prices and higher operating costs. There will be no effect on Kerr Addison's earnings, as the investment in Mogul is carried in the accounts at zero value.

The remaining 25 per cent of Mogul is held by the Dublin-based Silvermines.

## Exploration agreement for MMC

THE GOVERNMENT of the Malaysian state of Trengganu has signed an agreement with Malaysia Mining Corporation giving the company exclusive mining rights to large parts of the state, reports Wong Sulong from Kuala Lumpur. This is the fifth such agreement the state-controlled mining company has made with Malaysian state authorities.

The agreement covers 240,000 hectares in the Besut and Ulu Trengganu districts, areas which have hardly been explored for minerals before.

The exploration will be both on and offshore, with the aim of discovering new alluvial tin deposits on the sea bed and copper, lead, zinc and possibly uranium on land.

MMC's new executive chairman, Mr Mohamed Desa Pachee, said that if commercial deposits are found, they will be exploited by a joint venture in which MMC will hold 49 per cent and the state government the remaining 51 per cent.

Trengganu state derives 80 per cent of its revenue from offshore oil.

## N. B. Hill avoids rights issue

AUSTRALIA'S North Broken Hill mining and investment house has alleviated its liquidity problems without resorting to a rights issue by means of a A$27.21m (£16m) share placement with financial institutions.

The market had been expecting a rights issue following last week's announcement of a A$42.5m issue from the 33.3 per cent-owned EZ Industries, and North's first loss on mining operations for several decades in the half-year to December, reports our Sydney correspondent.

North's solution to its problems is a placement of up to 15.55m new shares with institutions at a price of A$1.75 a share. This compares with a price in Australia ahead of the announcement of A$1.95 a share. The placement is to be arranged by Melbourne brokers E. L. and C Baillieu and Potter Partners.

The discount is thus very small, especially as the new shares will not rank for the 3 cents a share interim dividend announced at the end of January.

North said yesterday that the issue proceeds would improve the general liquidity of the company and assist in meeting commitments at the Broken Hill mine in New South Wales, as well as allowing North to maintain its position in other investments.

The shares closed at 110p in London yesterday.

## Hoover chairman confident

CONFIDENCE THAT in the year ahead, Hoover, the domestic appliance manufacturer, can start to move upwards, is expressed by Mr M. R. Rawson, the chairman, in his annual statement.

Pre-tax losses soared from £1.4m. to £30.87m in 1981, as depressed demand strong competition and exceptional costs took their toll—as reported February 25. Major reorganisation gave rise to redundancy and other rationalisation costs amounting to £17.24m (£1.48m).

Mr Rawson says the board's first priority is to complete the restructuring programme as soon as possible. It is felt that this will enable the company to be restored to profitability.

Market conditions are expected to remain difficult for some time and no real upturn in consumer demand is anticipated before the latter part of the year. However, the chairman reports that the company has a good programme has reduced its break-even point; for new product introductions; and is achieving higher levels of manufacturing efficiency.

The decision to close the factory at Perivale means that the site there will become largely surplus to requirements and the board is evaluating the possible alternatives to realise the maximum financial benefit.

He says the board is determined that Hoover will enjoy a product led recovery based on new products which offer the consumer both reliability and value for money.

At the end of 1981, group shareholders' funds were reduced from £89.2m to £59.7m. Fixed assets totalled £27.8m (£31.2m) and net current assets fell from £53.39m to £28.19m. Net liquid funds showed a decrease of £10.22m (£13.8m).

## John Lewis Partnership

THE 24,500 worker-partners in the John Lewis Partnership, department stores and Waitrose supermarkets group, are to share a record £15.6m from profits made in the year ended January 30 1982, against £12.6m last time. It will be distributed at the rate of 16 per cent of pay.

At the pre-tax level, the surplus amounted to £33m, compared with £32.1m. Sales totalled £810m, against £754.2m and were split as to: department stores £440.4m (£422.3m); Waitrose £359.3m (£321.9m); wholesale and manufacturing £10.3m (£10m).

## BANK RETURN

### BANKING DEPARTMENT

| | Wednesday March 10 1982 £ | Increase (+) or Decrease (−) for week £ |
|---|---|---|
| **Liabilities** | | |
| Capital | 14,553,000 | |
| Public Deposits | 44,155,650 | + 3,820,703 |
| Bankers Deposits | 651,336,560 | + 173,325,987 |
| Reserve & other Accounts | 1,652,756,760 | + 104,853,570 |
| | 2,362,802,002 | + 281,999,260 |
| **Assets** | | |
| Government Securities | 852,720,069 | + 412,345,000 |
| Advances & other Accounts | 1,145,932,985 | + 17,636,447 |
| Premises Equipment & other Secs. | 358,379,174 | − 142,762,044 |
| Notes | 11,556,441 | − 5,251,385 |
| Coin | 213,340 | + 31,248 |
| | 2,362,802,009 | + 281,999,260 |

### ISSUE DEPARTMENT

| | £ | £ |
|---|---|---|
| **Liabilities** | | |
| Notes issued | 10,525,000,000 | − 25,000,000 |
| In Circulation | 10,513,443,559 | − 19,748,615 |
| In Banking Department | 11,556,441 | − 5,251,385 |
| **Assets** | | |
| Government Debt | 11,015,100 | — |
| Other Government Securities | 2,585,143,152 | − 450,230,910 |
| Other Securities | 7,928,841,748 | + 425,230,910 |
| | 10,525,000,000 | − 25,000,000 |

## BOARD MEETINGS

The following companies have notified dates of board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available as to whether dividends are interims or finals and the subdivisions shown below are based mainly on last year's timetable.

TODAY

Interims: Bracken Mines, Hunt- and Moscrop (Middleton), Kinross Mines, Leslie Gold Mines, Unisel Gold Mines, Winkelhaak Mines.

Finals: Anglo American Securities, Bridgwater Estates, G.S.C. Investment Trust, Conder International, Gas and Oil Acreage, Kode International, Martin-Black Merchants Trust, Scottish Television, Standards Telephones and Cables.

FUTURE DATES

| | |
|---|---|
| Interims— | |
| Bluebird Confectionery | Mar 24 |
| Burgess Products | Apr 1 |
| Lavitex | Mar 17 |
| Lucas Industries | Mar 23 |
| Pilco | Mar 26 |
| Walker (James) Goldsmith and Silversmith | Mar 24 |
| Finals— | |
| Bemrose | Mar 25 |
| Biddon | Apr 1 |
| Britannia Arrow | Mar 17 |
| Britannic Assurance | Mar 17 |
| Collins (William) | Mar 17 |
| Edinburgh Invest. Trust | Apr 19 |
| Hall Engineering | Mar 18 |
| Kleinwort Benson Lonsdale | Mar 30 |
| Matthews (Bernard) | Mar 25 |
| Sakolene Lubricants | †Mar 31 |
| Slough Estates | Mar 24 |
| Spirax-Sarco | Mar 30 |
| Supra | Mar 18 |

† Amended.

Companies and Markets

# BIDS AND DEALS

## Mills & Allen acquires Poster Publicity for £1m

Mills and Allen International, the financial services and advertising group, has bought Poster Publicity Holdings, the holding company of Poster Publicity and Focal Media, for £1.15m cash.

A further consideration will become payable depending on the future performance of the acquisition.

The profit of Poster Publicity Holdings for the year to September 30 1981 before tax and exceptional pension costs was £448,000 and the net tangible asset value of the group at that date was £313,000.

Poster Publicity is a specialist agency which offers buying, distribution and inspection services to both advertising agencies and advertisers for all forms of outdoor advertising.

Poster Publicity will form part of the media services division of Mills and Allen International.

Focal Media is an outdoor advertising contractor with sites predominantly in London and the South East. It will be integrated with Mills and Allen, the group's UK outdoor advertising subsidiary.

### PHOTOGRAPHIC SCIENCES

Photographic Sciences Corporation of the U.S. which has a substantial UK shareholding, has completed the acquisition of Harland Data Systems of Kingston-upon-Hull, from its parent company M. Harland and Sons.

Harland Data is a specialist in Europe in the supply of computer generated bar-codes for electronic data collection and management information for retail, medical and industrial applications.

Under new arrangements the company is the European licensee of certain computer software technology of Data Document Systems Inc, a Pitney-Bowes subsidiary.

### DAVID SCOTT

THE BUYER of 500,000 shares in loss-making shoe group, David Scott, in a dawn raid earlier this week, turns out to be a privately-owned network of motor dealers based in nearby Rushden, Northamptonshire.

The disclosed holder of a 10.82 per cent stake in Scott is C. W. Bament & Son which is one of the companies controlled by First Hamblin. One of the main shareholders in the parent company, Mr Robert Hamblin, is in Spain and is not expected to return until the beginning of next week.

Mr A. J. Harris, chairman of the quoted Scott group, expects to meet representatives of First Hamblin "quite soon."

### PENNINE

THE WHOLLY-OWNED subsidiary of Pennine Commercial Holdings, Narieshrie, has changed its name to Sureway Travel (North West) and has recently expanded the number of retail outlets being operated by the company in the north west.

Sureway has set up its own tour operation, Sureway Holidays, and the first programme for spring/summer 1982 has been launched.

### TIBER ENERGY

Tiber Energy Corporation has withdrawn from further discussions regarding the proposed merger of the company with Czar Resources, Orbit Oil and Gas, Stackleton Petroleum Corporation and Europa Petroleum.

The directors believe that the decision is, at this time, in the best interests of shareholders of Tiber.

### NORTHERN FOODS

Northern Foods has entered into an agreement with Keystone Foods to acquire all 3.14m ordinary shares in Keystone at a cost of $22 per share, representing a total consideration of some $69.16m (£38.19m at current rates). Northern announced on January 13 that it had reached agreement in principle to acquire all of the Keystone shares.

### INCOLEISURE

A new company, Incoleisure, has been set up with share and loan capital of more than £1m to finance the purchase of the former British Airways Trident Sports and Social Centre, at Ruislip, West London.

The centre, which is now called Amaretto's Country Club, has 30 acres of sporting and leisure facilities.

The financing has been arranged privately by Mather-court Securities. Incoleisure has no plans to obtain marketability for its shares.

## Tom Whyte reduces stake in R. P. Martin

Mr Tom Whyte and his West German associate, Mr Gunter Kreissel, have cut their holdings in the fast expanding money broking group, R. P. Martin.

Now building his interest in the re-constructed wholesale pharmaceutical group, Sangers, through Bermudan investment vehicles, Mr Whyte has sold 125,000 Martin shares thus reducing his holding by 3 per cent to 4.45 per cent.

Mr Kreissel has sold a similar number of shares and now holds an identical residual stake. Mr Whyte acquired his holding two years ago through a series of overseas nominee accounts which caused Martin to comment that "we have had to defend the group from the attentions of non-resident shareholders who, for reasons best known to themselves, have not been prepared to disclose their identities."

## SHARE STAKES

Trans-Oceanic Trust—Kuwait Investment Office holds 3,462,561 ordinary (9.61 per cent).

Dorada Holdings—British Car Auctions interest 725,000 ordinary (7.09 per cent).

Great Northern Investment Trust—Cazenove purchased on behalf of an associate of RIT 50,000 ordinary.

Federated Land—On behalf of LBI for account of Prowting Holdings, an associate of Estates and General Investments, Panmure Gordon and Co. bought 75,000 ordinary.

Rea Brothers—Globe Investment Trust is interested in 896,666 ordinary (6.03 per cent).

Emess Lighting—Sun Alliance and London Assurance has increased its holding to 80,000 ordinary (5.8 per cent).

Dualvest—Merchant Navy Officers Pension Fund is the beneficial owner of 360,000 capital shares (18.0 per cent).

Silverthorne Group—Unochrome Industries has purchased 78,800 shares making holding 2,875,975 (82.26 per cent).

Drake and Scull Holdings—Chevalier aaa Malevez, director, has disposed of ordinary shares non-beneficially held as indicated: on March 3 100,000 shares at 54p; on March 3 100,000 at 57½p; on March 10 50,000 at 60p and 50,000 at 61p.

Sumrie Clothes—Harvey M. Ross has reduced his holding to 689,500 shares (27.58 per cent).

J. and H. B. Jackson—L. W. Wincott, director, has sold 50,000 shares at 56p.

Birmingham Mint—Prudential Corporation holds 6.97 per cent, being 140,500 ordinary shares.

British and American Film Holdings—Romulus Films bought 20,000 ordinary. Holding now 547,000 ordinary. Director Sir John Woolf non beneficial holding now 1,183,000 ordinary.

City and Commercial Investment Trust—Following purchase of 20,000 capital shares the Merchant Navy Officers Pension Fund owns 607,500 capital shares (17.3 per cent).

Spencer Clark Metal Industries—D. M. Howarth, chairman and chief executive, has purchased 227,500 shares. He is now the owner of 250,000 ordinary (5.007 per cent).

F. H. Lloyd Holdings—Lewis Robertson has purchased 10,000 ordinary shares at 41.5p.

## ACC bid—Heron in 'no hurry'

Heron Corporation was yesterday considering whether to increase its £49.4m takeover bid for ACC to top a new offer for that company mounted by Mr Robert Holmes à Court, which is worth more than £60m.

But Mr Michael Peterson, of Barclays Merchant Bank, which is advising Heron, said yesterday that Heron "is in no hurry" to make a move on the ACC takeover front.

"We have not yet given a thought to increasing the bid," he said, adding that Heron's chairman, Mr Gerald Ronson, is still abroad. "There is bags of time. There is no pressure on us at all."

He said that Heron's document, detailing its own 90p per share offer for the non-voting ACC "A" shares, "will not see the light for many days."

Mr Ronson returns to London this weekend, and Mr Peterson said that it will be next week "at the earliest before a further announcement is made."

Mr Holmes à Court is expected to return to London this weekend.

## Wm. Jacks second half upturn

A SHARP improvement in taxable earnings is shown by William Jacks and Co. for 1981. The pre-tax result moved ahead from £220,891 to £551,414 reflecting a recovery from £25,000 to £399,000 in the second half. Turnover improved from £14.45m to £15.3m.

There is no dividend. The last payment was an interim of 0.35p in 1980. Earnings per share are stated on a net basis at 6.5p, against 0.7p last time.

The group's ultimate holding company is Jacks International (Singapore). The main group activities include overseas trading and manufacturing, motor car distribution and consumer credit facilities.

The charge for UK taxation was £11,256 (credit £59,865). The overseas tax charge was £185,726 (£191,489).

Extraordinary debits were lower at £85,000, compared with £160,000. The directors say that the provision of £85,000 was made to reduce the carrying value of certain assets to their likely value upon disposal.

After a charge for preference dividends of £1,488 (same) and a payment of £18,939 last time for ordinary dividends, retained profits of £267,944 were shown (£141,160 deficit).

Reserves improved from £1.35m to £1.68m. Net current assets moved up to £1.54m (£1.28m).

On a current cost basis operating profits were ahead at £464,675, compared with £150,425.

# INTERNATIONAL COMPANIES and FINANCE

## Magirus Deutz may shut Mainz bus plant

By Our Frankfurt Staff

MAGIRUS-DEUTZ, the West German offshoot of Fiat's Iveco commercial vehicles subsidiary, is considering closing its bus manufacturing plant in Mainz in the face of the shrinking market, fierce competition and rising losses.

IG Metall, the union representing workers at the plant, claimed yesterday that union officials on the Supervisory board of the company sought at a meeting yesterday to block what the union claimed were the board's plans to shut the plant with a loss of 1,600 jobs.

A company spokesman disputed this interpretation, saying the board had discussed proposals for compensating workers at the plant, but that no final decision about closure could be taken. A further meeting was planned.

Magirus-Deutz, which employs a further 9,600 workers at its Ulm commercial vehicles plant, had total sales revenues of DM 2.3bn (US$932m) in 1980. The company claims to have a 7.4 per cent share of the German domestic bus market and a 9.5 per cent share of the German bus export market.

## Strong advance at Brascan

By Our Montreal Correspondent

AN INCREASE in operating income last year is reported by Brascan, the Toronto-based resources, industrial products and financial services group controlled by the Peter and Edward Bronfman interests. The 1981 operating net total of $98.7m or $2.55 a share compared with $77.3m or $2.84 in the previous year. Revenues jumped from $153m to $247m.

The earnings increase resulted mainly from better performances by John Labatt, the brewery, and London Life Insurance.

## Narby in Canada for more talks on sale of Cast assets

BY ROBERT GIBBENS IN MONTREAL

THE CAST shipping group has resumed negotiations here on its proposed sale of assets and talks with potential buyers and with the company's bankers will continue throughout today and the first two days of next week.

Cast North America confirmed that Mr Frank Narby, the chairman of and major stockholder in Eurocanadian Shipholdings of Switzerland, the major company in the Cast group, had arrived in Montreal on Wednesday and would have talks with Canadian National Railways (CN), the company's bankers and parties potentially interested in buying 50 per cent of the Cast North Atlantic container business.

On February 19, Eurocanadian's board approved plans for a major sale of assets to consist of a package making up about 50 per cent of the container business. Cast ran into a cash crisis in late January because of a slowdown in Atlantic container business, sliding world bulk shipping rates and over-expansion in new equipment and ship commitments.

Mr Narby has said that the refusal last January by Canadian National to convert $42m of Cast group preferred shares into equity had been a factor in his financial troubles. CN owns 18 per cent of the Eurocanadian common stock and Helix Investments, of Toronto, about 11 per cent.

Shipping sources believe CN could still agree to participate in a group acquiring 50 per cent of Cast's container business perhaps with other Canadian interest. They expect a final decision early next week. If CN declines, other Canadian-based shipping interests could still be involved in the acquisition, but negotiations would take some time.

## East Germany runs into problems with loan plan

BY STEWART FLEMING IN FRANKFURT

EAST GERMANY, another heavily indebted East European country, is having difficulty raising new credits on the Euromarket, according to bankers in Frankfurt.

It is understood that the East German Government has been seeking to raise a $300m loan but has so far been unable to find a consortium willing to take on the mandate.

Bankers point out that the East Germans' problems in raising finance are not comparable to those of either Poland or Romania, which have been forced to ask Western banks to re-schedule their debts. In contrast to these countries, East Germany has been able to meet its foreign obligations on time.

On the other hand, it is pointed out that such Eurocurrency syndicated credits for East European countries, not tied to specific export business, are not attractive to Western banks at present in view of the political problems as well as the economic difficulties in individual countries.

Also it is suggested that the East Germans may have set their sights too high on the terms they are prepared to pay for such a credit.

## Bendix reassures RCA on share stake

By David Lascelles in New York

BENDIX, the Detroit motor parts maker, which caused a stir earlier this week by disclosing that it had bought a chunk of stock in RCA, has clarified its intentions and promised to keep RCA informed about its plans.

In a filing with the Securities and Exchange Commission, Bendix revealed that it had bought 7.2 per cent of RCA stock but did not have any immediate intention to buy more. Originally, Bendix indicated it might buy up to 9.9 per cent.

Bendix also said it would not buy any more stock for 30 days. And if it decided to make purchases after that it would give RCA 48 hours' notice. The statement took some of the steam out of the whole affair, though it still leaves unanswered Bendix's long-term intentions.

RCA initially reacted to Bendix's approach by saying it was "not welcomed," and hired a law firm which specialises in fighting off takeovers. RCA also directed personal attacks against Mr William Agee, Bendix's chairman.

RCA now appears to have been soothed by Bendix's latest assurances. It said in a statement that it appreciated "Bendix's confirmation of its status as an investor and the confidence expressed in the future of RCA."

Bendix appears to have spent about $100m acquiring RCA shares, which have been traded heavily on the New York Stock Exchange since the announcement first came out on Monday. RCA stock rose by about $2 to around $21 but fell back sharply to around $19 on yesterday's news as Wall Street reassessed the prospects of a takeover battle.

## ITT expects long wait on Rayonier sale

By Paul Betts in New York

INTERNATIONAL TELEPHONE and Telegraph (ITT), the diversified U.S. telecommunications conglomerate, no longer expects to sell its Rayonier forest products division in the near future.

ITT announced last year that it intended to divest itself of Rayonier, one of the country's leading forest product companies with sales of $738m and earnings of $38m last year, as part of a board reorganisation of the group.

At the time, ITT said it was having discussions with a number of buyers who had expressed interest in Rayonier. Wall Street had expected ITT to raise nearly $3bn from the sale of its forest product division. This would have helped the conglomerate reduce its high debt level, which totals about $4.3bn.

But ITT now says that the current depressed economy, high interest rates and the slump in the forest industry made it difficult to sell Rayonier.

Mr Cabell Woodward, ITT's chief financial officer, told New York securities analysts that the company was still having talks with some groups interested in Rayonier. But he added: "Realistically, I think a combination of the economy, the still very high interest rates and the very poor business conditions in the forest product industry in general are going to make it very difficult to accomplish the sale of Rayonier in the near future."

He said that if Rayonier was not sold in the near future, he was optimistic about the company, which he expected would show an earnings improvement this year.

## Final quarter helps result at K mart

By Our Financial Staff

LAST YEAR's results from K mart, the major discount retailer in the U.S., came out slightly better than feared, helped to some extent by a steadier performance in the final quarter. Total net for the year is 15.4 per cent down at $220.3m or $1.75 a share, compared with recent forecasts on Wall Street of around $1.50 a share. Sales held the pace set earlier in the year to end 16 per cent higher at $16.53bn.

Earnings dipped by 12.3 per cent in the final quarter while sales maintained their 16 per cent higher level. At the nine-month stage earnings were about 19 per cent off.

The board said that better than expected sales gains, coupled with effective expense control, had reduced selling, general and administrative expenses to 23.1 per cent of sales last year from 23.4 per cent in the previous year.

Net interest expense increased by 5.8 per cent to $69.2m last year because of continued high interest rates and increased borrowings.

# Why AT&T came to Euromarket

BY ALAN FRIEDMAN

"OVER THE past few years we've been averaging around $5bn a year in external financing," Mr Larry Prendergast, assistant treasurer of American Telephone and Telegraph, sat back in his armchair at Claridge's and calmly reeled off a few figures which would make many finance ministers tremble.

His company, the world's largest in terms of assets, expects to raise between $4bn and $4.5bn this year, of which between $1.5bn and $2bn could be in the form of new bond offerings. At present there is "around $45bn" of AT and T parent company and subsidiary paper outstanding.

All of this is in the U.S. bond market, except for one $400m issue which has just been sold in the Eurobond market. Mr Prendergast was in London this week to preside over the pricing of the new paper, which carried the lowest coupon (14⅛ per cent) seen for a long time, a full percentage point lower than a current $250m World Bank issue.

Planning for AT and T's Euromarket debut began 12 months ago. The company had just completed a $600m 10-year issue with a 13⅛ per cent coupon in the U.S. bond market and it noted with interest that 15 to 20 per cent of the paper had been bought by European investors.

Then, in June last year, AT and T offered $1bn of common stock, the largest underwritten stock offer in U.S. financial history. Around 5 per cent of this issue was taken up by Europeans.

"That caused us to start thinking about the Eurobond market," explained Mr Prendergast. As a result, a Netherlands Antilles finance subsidiary was formed and AT and T's team of capital markets experts began monitoring the Eurodollar bond market in earnest.

AT and T's most important criterion for coming to Europe was the cost of borrowing. According to Mr Prendergast, the annual cost of the current 14⅛ per cent bond issue now amounts to 14.70 per cent—this allows for the initial loss of 1⅜ per cent selling commission. In the U.S., where the selling commission would have been around 0.65 per cent, the total cost would have been pushed above 15 per cent because AT and T would have needed to pay a 14⅞ or even 14½ per cent semi-annual coupon.

Why is the Eurodollar bond market currently cheaper to AT and T than the U.S. bond market? Mr Prendergast feels the currency factor is a key reason. Most Eurobond investors take a view as to the future path of the U.S. dollar when they buy Eurodollar bonds. If their perception is a strengthening dollar, investors may forgo a certain amount of interest.

Mr Larry Prendergast

There are other reasons, however, the most important being the significantly lesser degree of credit rating consciousness and a greater emphasis on name and "rarity value" among European investors. AT & T paper, like that issued by IBM or perhaps General Electric, has such a name behind it that many fund managers are only too pleased to hold the paper despite an exceptionally low coupon.

The largest demand for the current AT & T Eurobond is said to have come, not surprisingly, from Switzerland.

When it comes to lesser known triple-A or double-A rated names, there may be a cost advantage in the U.S. market. This is because U.S. institutions look at Standard and Poor's or Moody's credit rating and calculated yields to the last basis point. In Europe, a borrower may have a double-A name, but if the company's name is not well known a higher coupon may be required.

The lot of a weaker borrower, with a single-A or triple-B name, is curiously sometimes better in Europe. Whereas a lesser rated name might have to pay more in the U.S. the same name may attract more interest in Europe if it is easily recognisable.

This seemingly illogical phenomenon may provide part of the explanation of the fluctuating relative cost of the Euromarket versus the U.S. bond market. As for AT & T, Mr Prendergast says it may be back in the Eurobond arena before long. The group has no plans for an issue.

## $75m Eurodollar bond issue for Wells Fargo

BY OUR EUROMARKETS STAFF

A $75m five-year Eurodollar bond was launched last night for Wells Fargo, the U.S. banking group. Morgan Stanley is leading the offer, which provides a 15 per cent coupon and a price of par. The bonds are non-callable for four years and then at par in the fifth year.

Morgan Stanley ventured into the uncertain Japanese convertible bond market as joint lead-manager with Daiwa Securities of a $30m issue for Kajima Corporation, the construction and civil engineering group.

The indicated coupon is 5¼ per cent semi-annual and the conversion premium will be 5 per cent. The paper has a 15-year maturity, but there is also a rather unusual sweetener. So delicate is the state of the Japanese convertible sector that this issue provides for a one-off redemption option at the end of the third year.

Bond holders will be able to redeem the Kajima paper at 118.75 per cent under the special option. This means that, say, a purchase price of 99, the three-year prospective yield comes to 11¼ per cent. The issuer's intention appears to be to prevent the bonds from suffering the same sharp falls as others in the secondary market.

One banker last night described the Kajima issue as "constructive for the market." "If every Japanese convertible had an investor option on it which provided protection then people might have saved a lot of money," he added.

A more orthodox form of protection against market volatility came from Erste Österreichische Spar-Casse yesterday: it offered $30m of 10-year floating rate notes through Orion Royal. The notes carry a 5¼ per cent minimum coupon and a ¼ point spread above six-month London inter-bank offered rate.

In the secondary market prices of straight Eurodollar bonds were marked ½ point lower as the market paused for the second time this week. New York's bond market also hesitated and some traders were politely describing the hiccup as a "much needed period of consolidation."

## Indonesia again launches credit carrying fine terms

BY PETER MONTAGNON, EUROMARKETS CORRESPONDENT

THE REPUBLIC of Indonesia has launched a second major Eurocredit, with a margin of only ⅜ per cent over London Eurodollar rates for 10 years.

Its central bank has awarded a mandate to four banks to lead the $300m credit, which takes the form of a revolving facility. The banks are Morgan Guaranty, which will act as agent for the deal, Bank of Tokyo, Citicorp International and Long Term Credit Bank of Japan.

Late last summer Indonesia raised a similar loan through Bank of America, Industrial Bank of Japan and Lloyds Bank International. At the time the loan caused a considerable stir in the Euromarkets because Indonesia had demonstrated an ability to borrow on terms finer than some top-rated industrial countries.

News that a second borrowing has been launched on similar terms will come as a disappointment to some European borrowers who cannot match this fine margin over a period as long as 10 years.

Indonesia's ability to borrow on such fine terms rests partly on the competitive nature of banking in the Far East. It is also a relatively underborrowed country, having loans from Western banks of $4.3bn but deposits with the banks of $6.5bn at the end of last September.

This, coupled with the country's recent decision to boost domestic fuel prices by more than 60 per cent, apparently outweighs the negative factor of a deteriorating balance of payments.

### VONTOBEL EUROBOND INDICES

14.5.76 = 100%

| PRICE INDEX | 9.3.82 | 2.3.82 | AVERAGE YIELD | 9.3.82 | 2.3.82 |
|---|---|---|---|---|---|
| DM Bonds | 92.58 | 91.94 | DM Bonds | 9.709 | 9.832 |
| HFL Bonds & Notes | 96.71 | 95.74 | HFL Bonds & Notes | 10.811 | 10.794 |
| U.S. $ Strt. Bonds | 87.48 | 86.58 | U.S. $ Strt. Bonds | 14.262 | 14.467 |
| Can. Dollar Bonds | 88.91 | 89.99 | Can. Dollar Bonds | 15.198 | 15.182 |

# FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. For further details of these or other bonds see the complete list of Eurobond prices which will be published next on Tuesday March 23. Closing prices on March 11

| U.S. DOLLAR STRAIGHTS | Issued | Bid | Offer | Change on day | week | Yield |
|---|---|---|---|---|---|---|
| Anheuser-Busch 16⅞ 88 | 100 | 103⅝ | 104 | −0¼ | +0¼ | 15.49 |
| APS Fin. Co. 17⅛ 86 | 100 | 105⅝ | 106⅛ | −0⅛ | +0⅛ | 15.28 |
| APS Fin. Co. 16⅞ 89 | 75 | 103⅝ | 104⅛ | −0⅛ | +1⅛ | 15.27 |
| APS Int. Fin. 18 89 | 25 | †97⅞ | 98⅛ | −0⅛ | −0⅛ | 16.52 |
| Armco O/S Fin. 15⅞ 86 | 50 | 99⅝ | 100 | −0⅛ | −0⅛ | 15.38 |
| Basket Int. Fin. 0.0 92 | 225 | 24⅝ | 25⅛ | 0 | −0⅛ | 14.32 |
| Bank Montreal 16⅛ 91 | 150 | 103⅞ | 104 | −0⅛ | +0⅛ | 15.43 |
| Br. Colum Hyd. 16⅛ 88 | 100 | 103⅞ | 104⅛ | 0 | +0⅛ | 15.22 |
| Br. Colum. Mfg. 17 97 | 54 | 103⅞ | 104⅛ | 0 | −0⅛ | 15.26 |
| Can. Nat. Rail 14⅝ 91 | 100 | 97⅛ | 97⅝ | −0⅛ | −0⅛ | 15.09 |
| Carolina Power 16⅛ 89 | 60 | 102 | 102⅛ | −0⅛ | −0⅛ | 15.92 |
| Caterpillar Fin. 16⅛ 86 | 100 | 103⅞ | 104⅛ | −0⅛ | 0 | 15.12 |
| CFMP 16⅛ 86 | 100 | 101⅞ | 102⅛ | −0⅛ | −0⅛ | 16.36 |
| CIAC 16⅞ 91 | 100 | 105 | 105⅛ | −0⅛ | +0⅛ | 15.60 |
| Citicorp O/S 16⅛ 86 | 150 | 103⅛ | 104⅛ | −0⅛ | −0⅛ | 16.42 |
| Cons. Bathurst 17⅛ 88 | 60 | 102⅛ | 102⅝ | −0⅛ | −0⅛ | 16.74 |
| Dupont O/S 14⅛ 88 | 400 | 99⅛ | 99⅝ | −0⅛ | +0⅛ | 14.54 |
| Dupont O/S Cap. 0.0 90 | 300 | 34⅞ | 35⅛ | −0⅛ | −0⅛ | 14.12 |
| EIB 16⅛ 91 | 100 | 104⅞ | 105⅛ | −0⅛ | −0⅛ | 15.63 |
| Gen. Elec. Credit 0.0 92 | 400 | 28 | 28⅛ | −0⅛ | −0⅛ | 13.40 |
| Gen. Elec. Credit 0.0 93 | 400 | 25⅛ | 25⅝ | 0 | −0⅛ | 12.85 |
| GMAC O/S Fin. 16⅛ 84 | 300 | 101⅛ | 102⅛ | 0 | 0 | 15.39 |
| GMAC O/S Fin. 18 88 | 150 | 100⅛ | 100⅝ | −0⅛ | +1 | 15.88 |
| GMAC Fn. 0.0 92 (Oct) | 400 | †25⅛ | 26 | −0⅛ | −0⅛ | 13.43 |
| Gulf Oil Fin. 0.0 92 | 300 | 26⅛ | 26⅝ | −0⅛ | −0⅛ | 13.87 |
| Gulf States O/S 17⅛ 88 | 60 | 104⅛ | 104⅝ | −0⅛ | −0⅛ | 16.28 |
| Japan Airlines 15⅛ 88 | 50 | 100⅛ | 101 | −0⅛ | +0⅛ | 15.01 |
| Japan Airlines 7⅛ 87 | 37 | †97⅛ | 98 | −0⅛ | −3 | 8.45 |
| Japan Dev. Bk. 15⅛ 87 | 50 | 101⅛ | 101⅞ | −0⅛ | −0⅛ | 14.89 |
| Nat. Bk. Canada 16⅛ 88 | 40 | 100⅛ | 101⅛ | −0⅛ | −0⅛ | 15.91 |
| Nat. West 14⅞ 91 | 100 | 99⅛ | 99⅝ | −0⅛ | +0⅛ | 14.84 |
| New Brunswick 17 88 | 60 | 107 | 107⅛ | 0 | +0⅛ | 15.11 |
| New Brunswick 15⅛ 89 | 75 | 102⅛ | 102⅝ | −0⅛ | +0⅛ | 15.54 |
| New & Lab. Hy. 17⅛ 89 | 75 | 104 | 104⅛ | −0⅛ | −0⅛ | 15.18 |
| Ohio Edison Fin. 17⅛ 88 | 75 | 105⅛ | 106⅛ | −0⅛ | +0⅛ | 15.89 |
| OKB 15⅛ 07 | 50 | 98⅛ | 98⅝ | −0⅛ | 0 | 15.00 |
| Ontario Hyd. 16 91 (N) | 200 | 104⅛ | 104⅝ | −0⅛ | +1 | 15.04 |
| Pac. Gas & El 13⅞ 89 | 85 | 103⅛ | 104 | −0⅛ | +2 | 14.81 |
| J. C. Penney Gl. 0.0 94 | 350 | 21 | 21⅛ | 0 | −0⅛ | [illegible] |
| Quebec Hydro 17⅛ 91 | 150 | 107⅛ | 108⅛ | −0⅛ | +0⅛ | 15.56 |
| Quebec Prov 15⅛ 89 | 150 | 98⅛ | 98⅝ | −0⅛ | +0⅛ | 15.66 |
| R.J. Rynlds. O/S 0.0 92 | 400 | 29⅛ | 29⅝ | −0⅛ | −0⅛ | 13.96 |
| Saskatchewan 16⅛ 88 | 100 | 103⅛ | 103⅝ | −0⅛ | +0⅛ | 15.47 |
| Statsforetag 15⅛ 87 | 50 | 99 | 99⅛ | −0⅛ | −0⅛ | [illegible] |
| Sweden 14⅛ 88 | 150 | 98⅛ | 98⅝ | −0⅛ | +0⅛ | 15.29 |
| Swed. Ex. Cred. 16⅛ 93 | 75 | 101⅛ | 101⅝ | −0⅛ | −0⅛ | 15.18 |
| Texas Eastern 15⅞ 88 | 75 | 100⅛ | 100⅝ | +0⅛ | +0⅛ | 15.67 |
| Transcanada 15 89 | 100 | 99⅛ | 100⅛ | 0 | +0⅛ | [illegible] |
| Winnipeg 17 88 | 50 | 106⅛ | 106⅝ | −0⅛ | +0⅛ | 15.05 |
| WMC Fin 15⅛ 88 | 50 | 96⅛ | 97⅛ | −0⅛ | 0 | 16.24 |
| World Bank 16⅛ 85 | 150 | 104⅛ | 105 | −0⅛ | +0⅛ | 14.90 |
| World Bank 16⅛ 88 | 100 | 104⅛ | 105⅛ | 0 | +0⅛ | 15.20 |

Average price changes... On day −0⅛ on week 0

| DEUTSCHE MARK STRAIGHTS | Issued | Bid | Offer | Change on day | week | Yield |
|---|---|---|---|---|---|---|
| Australia 9⅛ 01 | 300 | 99⅛ | 100 | 0 | +0⅛ | 9.40 |
| Belgelectric 11 91 | 100 | 101⅛ | 102⅛ | 0 | +0⅛ | 10.63 |
| CECA 10 91 | 120 | 102⅛ | 102⅞ | +0⅛ | +0⅛ | 8.57 |
| Coun. of Europe 10 91 | 100 | 100⅛ | 101⅛ | +0⅛ | +0⅛ | 9.80 |
| C. of Europe 10⅛ 91 | 100 | 101⅛ | 102⅛ | +0⅛ | −0⅛ | 9.92 |
| EEC 10⅛ 93 | 100 | 101⅛ | 102 | 0 | +0⅛ | 9.85 |
| EIB 10⅛ 91 | 200 | 103⅛ | 104⅛ | +0⅛ | +0⅛ | 9.81 |
| EIB 9⅞ 88 | 80 | 99⅛ | 100 | −0⅛ | +0⅛ | 9.81 |
| Finland, Rep. of 10⅛ 86 | 100 | 101 | 101⅛ | −0⅛ | +0⅛ | 10.08 |
| Inter-American 10 91 | 100 | 101⅛ | 102⅛ | +0⅛ | +1⅛ | 9.57 |
| Inter-American 10⅛ 91 | 100 | 101⅛ | 102⅛ | +0⅛ | +0⅛ | 9.90 |
| Ireland 10⅛ 88 | 100 | 100⅛ | 100⅞ | 0 | +0⅛ | 9.96 |
| Mexico 11 88 | 100 | 100⅛ | 100⅞ | +0⅛ | 0 | 10.84 |
| Midland Int. Fin. 8⅛ 90 | 150 | 93⅛ | 94⅛ | 0 | +0⅛ | 9.49 |
| Mt. Bk. Dnmk. 10⅛ 01 | 100 | 100⅛ | 101 | 0 | +0⅛ | 10.36 |
| Nat. West. 9⅞ 02 | 100 | 102 | 102⅛ | +0⅛ | +1⅛ | 9.48 |
| New Zealand 9⅛ 89 | 200 | 100⅛ | 101⅛ | 0 | +0⅛ | 9.50 |
| OKB 10⅛ 91 | 150 | 101⅛ | 102 | 0 | +0⅛ | 9.94 |
| OKB 9⅛ 86 | 100 | 99⅛ | 99⅝ | −0⅛ | 0 | 8.84 |
| Quebec Hydro 10⅛ 91 | 150 | 101⅛ | 102⅛ | 0 | +0⅛ | 9.88 |
| Swed. Ex. Cred. 10⅛ 91 | 100 | 100 | 100⅛ | +0⅛ | +0⅛ | 10.17 |
| Venezuela 11⅛ 91 | 100 | 100⅛ | 100⅞ | 0 | +0⅛ | 11.37 |
| World Bank 10 91 | 250 | 103⅛ | 103⅞ | −0⅛ | +0⅛ | 9.42 |

Average price changes... On day +0⅛ on week +0⅛

| SWISS FRANC STRAIGHTS | Issued | Bid | Offer | Change on day | week | Yield |
|---|---|---|---|---|---|---|
| Ansett Transport 7⅛ 92 | 50 | 101⅛ | 101⅝ | −0⅛ | +0⅛ | 7.26 |
| Asian Dev. Bank 8 90 | 80 | †102 | 102⅛ | −0⅛ | 0 | 7.62 |
| Australia 6⅛ 93 | 100 | 103⅛ | 103⅝ | −0⅛ | +1⅛ | 6.31 |
| Belgelectric 7⅛ 91 | 80 | 99⅛ | 99⅝ | −0⅛ | −0⅛ | 7.65 |
| Bell Canada 7⅛ 93 | 100 | 104⅛ | 104⅝ | −0⅛ | +1⅛ | 8.66 |
| Ben. de Autopistas 8 90 | 80 | 99⅛ | 99⅝ | −0⅛ | +0⅛ | 8.07 |
| Denmark 7⅛ 91 | 100 | 99⅛ | 99⅝ | −0⅛ | +0⅛ | 7.46 |
| Dome Petroleum 7⅛ 90 | 100 | 102⅛ | 102⅝ | +0⅛ | +1 | 6.88 |
| EIB 7⅛ 92 | 100 | 100⅛ | 101 | +0⅛ | +1⅛ | 7.12 |
| Elec. de France 7 92 | 100 | 100 | 100⅛ | −0⅛ | +1⅛ | 6.98 |
| ENEL 8 92 | 44 | 100⅛ | 100⅝ | 0 | +0⅛ | 7.96 |
| Genstar 7 91 | 100 | 102 | 102⅛ | +0⅛ | +1⅛ | 5.68 |
| I/S Elsam 8⅛ 91 | 100 | 105⅛ | 106⅛ | +0⅛ | +1⅛ | 7.88 |
| Japan Air Lines 7⅛ 91 | 80 | 103⅛ | 103⅝ | −0⅛ | +0⅛ | 6.71 |
| Nedar Gasunie 8 91 | 100 | 106⅛ | 106⅝ | +0⅛ | +0⅛ | 7.04 |
| Nippon T and T. 6⅛ 92 | 100 | 101 | 101⅛ | −1⅛ | +0⅛ | 6.45 |
| OKB 7⅛ 91 | 100 | 100 | 100⅛ | −0⅛ | +1⅛ | 7.22 |
| Oslo, City of 8 91 | 100 | 105⅛ | 105⅝ | +0⅛ | +1 | 7.22 |
| Ost. Donaukraft 7 92 | 100 | 99⅛ | 100⅛ | −0⅛ | +1⅛ | 7.00 |
| Saint-Etienne 8⅛ 91 | 20 | 105⅛ | 106 | −0⅛ | +1 | 7.63 |
| Swed. Ex. Cred. 7⅛ 91 | 75 | 97⅛ | 97⅝ | +0⅛ | +0⅛ | 7.64 |
| TNT O/S Fin. 8 91 | 50 | 104⅛ | 105 | 0 | +1 | 7.27 |
| Transcanada Pipe. 7 94 | 100 | 101⅛ | 102 | −0⅛ | +0⅛ | 6.78 |
| Unilever NV 7⅛ 93 | 100 | 106⅛ | 106⅝ | +0⅛ | +1⅛ | 5.67 |
| World Bank 7 90 | 100 | 100 | 100⅛ | 0 | +0⅛ | 6.98 |
| World Bank 8 91 | 100 | 104⅛ | 106⅛ | −0⅛ | +0⅛ | 7.25 |

Average price changes. On day −0⅛ on week +0⅛

| YEN STRAIGHTS | Issued | Bid | Offer | Change on day | week | Yield |
|---|---|---|---|---|---|---|
| Asian Dev Bk 8⅛ 91 | 15 | 100 | 101 | 0 | +0⅛ | 8.17 |
| Australia 6⅛ 88 | 20 | 91⅛ | 92⅛ | −0⅛ | 0 | 8.28 |
| EIB 7⅛ 89 | 12 | 98⅛ | 98⅝ | 0 | −0⅛ | 7.89 |
| Finland, Rep. of 8⅛ 87 | 15 | 100⅛ | 101⅛ | 0 | +1⅛ | 8.18 |
| Int.-Amer. Dev 8⅛ 91 | 15 | 102⅛ | 103⅛ | 0 | +1 | 8.36 |
| New Zealand 5⅛ 87 | 15 | 100⅛ | 101⅛ | 0 | +0⅛ | 6.15 |

Average price changes. On day 0 on week +0⅛

| OTHER STRAIGHTS | Issued | Bid | Offer | Change on day | week | Yield |
|---|---|---|---|---|---|---|
| Can. Utilities 17 96 C$ | 50 | †98⅛ | 99⅛ | 0 | +0⅛ | 17.17 |
| CIAC 15⅛ 88 C$ | 75 | †96⅛ | 96⅝ | +0⅛ | +1⅛ | 16.80 |
| Panacadian 16⅛ 88 C$ | 65 | †97⅛ | 98⅛ | 0 | +0⅛ | 18.96 |
| Quebec 17⅛ 87 C$ | 50 | †102⅛ | 103⅛ | 0 | 0 | 18.56 |
| Queb. Urban 16⅛ 88 C$ | 25 | †100 | 101 | 0 | 0 | 18.52 |
| Tordom Cpn. 16⅛ 88 C$ | 25 | †97⅛ | 98⅛ | +0⅛ | +0⅛ | 17.05 |
| Transalta 17 89 C$ | 50 | †99⅛ | 100⅛ | 0 | −0⅛ | 18.98 |
| M. Bk. Dnmk. 9 91 EUA | 25 | 86⅛ | 87⅛ | 0 | −0⅛ | 11.23 |
| SOFTE 9⅛ 89 EUA | 40 | 78⅛ | 80 | 0 | −0⅛ | 12.85 |
| U. Bk. Nwy. 9⅛ 90 EUA | 18 | 92 | 93⅛ | 0 | −0⅛ | 10.93 |
| Algemene Bk. 10⅛ 85 Fl | 60 | 99⅛ | 100⅛ | −0⅛ | +0⅛ | 10.21 |
| Amfas Group 12⅛ 86 Fl | 40 | 103⅛ | 104 | 0 | +0⅛ | 11.14 |
| Amro Bank 12 86 Fl | 75 | 104⅛ | 104⅝ | +0⅛ | +1 | 10.64 |
| Amro Bank 12 88 Fl | 60 | 104 | 104⅛ | −0⅛ | +0⅛ | 10.75 |
| Heineken NV 10 87 Fl | 100 | 97⅛ | 97⅝ | +0⅛ | +0⅛ | 10.64 |
| Pierson 10⅛ 86 Fl | 50 | 98⅛ | 99⅛ | +0⅛ | +0⅛ | 10.53 |
| Rabobank 12 86 Fl | 50 | 103⅛ | 104⅛ | +0⅛ | +0⅛ | 10.78 |
| OKB 14 86 FFr | 400 | 93⅛ | 94⅛ | 0 | −0⅛ | 18.20 |
| Solvay et C. 14⅛ 86 FFr | 200 | 94 | 96 | −0⅛ | −0⅛ | 12.74 |
| Acona 14 85 £ | 20 | 94 | 95 | +0⅛ | +2⅛ | 15.00 |
| Beneficial 14⅛ 90 £ | 20 | 86⅛ | 87⅛ | +0⅛ | +0⅛ | 17.12 |
| BNP 13⅛ 91 £ | 15 | 91⅛ | 92⅛ | 0 | +3⅛ | 15.28 |
| CECA 13⅛ 88 £ | 20 | 94⅛ | 95⅛ | +0⅛ | +2⅛ | 14.71 |
| Citicorp O/S 13⅛ 90 £ | 50 | 96⅛ | 97⅛ | 0 | +3 | 14.15 |
| Fin. Ex. Cred. 13⅛ 86 £ | 15 | 95⅛ | 96⅛ | 0 | +2⅛ | 15.12 |
| Hiram Walker 14⅛ 86 £ | 25 | 97 | 98 | −0⅛ | +1⅛ | 15.06 |
| Privatbanken 14⅛ 88 £ | 12 | 92⅛ | 93⅛ | 0 | +1⅛ | 15.45 |
| [illegible] 15⅛ 90 £ | 25 | 101⅛ | 101⅞ | 0 | +0⅛ | 15.37 |
| J. Rothschild 14⅛ 90 £ | 12 | 98⅛ | 98⅝ | 0 | +2⅛ | 14.47 |
| Royal Trustco 14 88 £ | 12 | 97⅛ | 98⅛ | +0⅛ | +2⅛ | 14.82 |
| Swed. Ex. Cr. 13⅛ 86 £ | 20 | 95⅛ | 96⅛ | +0⅛ | +1⅛ | 15.01 |
| Akzo 9⅛ 87 LuxFr | 500 | 90⅛ | 91⅛ | 0 | −0⅛ | 11.38 |
| Euratom 9⅛ 88 LuxFr | 500 | 90⅛ | 91⅛ | +0⅛ | +1⅛ | 11.96 |
| Eurofima 10⅛ 87 LuxFr | 500 | 95⅛ | 96⅛ | −0⅛ | +0⅛ | 11.50 |
| EIB 9⅛ 88 LuxFr | 600 | 92⅛ | 93⅛ | +0⅛ | +1 | 11.53 |
| Volvo 9⅛ 87 LuxFr | 500 | 91⅛ | 92⅛ | −0⅛ | +0⅛ | 11.79 |

| FLOATING RATE NOTES | Spread | Bid | Offer | C.dte | C.cpn | C.yld |
|---|---|---|---|---|---|---|
| Bank of Montreal 5⅛ 91 | 0⅛ | 99⅛ | 99⅞ | 29/4 | 17.06 | 17.13 |
| Bank of Tokyo 5⅛ 91 | 0⅛ | 98⅛ | 98⅝ | 10/6 | 13⅛ | 13.40 |
| Bk. Nova Scotia 5⅛ 93 | 0⅛ | 99⅛ | 100 | 28/4 | 17.06 | 17.11 |
| BFCE 5⅛ 88 | 0⅛ | 99⅛ | 100⅛ | 26/4 | 16.94 | 16.96 |
| BFCE 5⅛ 87 | 0⅛ | 99⅛ | 100⅛ | 27/7 | 16⅛ | 16.23 |
| Christiania Bk 5⅛ 01 | ‡0⅛ | 98⅛ | 99⅛ | 5/5 | 18 | 15.06 |
| Co-Bnn Eurofin 5⅛ 91 | 0⅛ | 98⅛ | 99⅛ | 14/4 | 15.69 | 16.88 |
| [illegible] 5⅛ 94 | 0⅛ | 99⅛ | 99⅝ | 9/3 | 5⅛ | 5.29 |
| [illegible] | 0⅛ | 96⅛ | 99 | 26/2 | 15.44 | 15.63 |
| Den Norske Cred 5⅛ 93 | 0⅛ | 97⅛ | 98⅛ | 4/6 | 13.56 | 13.84 |
| Genfinance 5⅛ 92 | 0⅛ | 99⅛ | 100⅛ | 30/6 | 15⅛ | 15.50 |
| GZB 5⅛ 92 | ‡0⅛ | 99⅛ | 99⅝ | 2/8 | 14.96 | 15.03 |
| Ind. Bank Japan 5⅛ 88 | 0⅛ | 99⅛ | 100⅛ | 9/6 | 13.31 | 13.31 |
| Lloyds Eurofin 5⅛ 93 | §0⅛ | 99⅛ | 99⅞ | 29/4 | 17.13 | 17.19 |
| LTCB Japan 5⅛ 89 | 0⅛ | 99⅛ | 99⅝ | 15/7 | 15.31 | 15.37 |
| Midland Int. Fin. 9 01 | 0⅛ | 99⅛ | 100 | 30/4 | 17.06 | 17.11 |
| Nacional Fin 5⅛ 88 | 0⅛ | †96⅛ | 97⅛ | 25/3 | 17.31 | 17.87 |
| Nat. Bk. Canada 5⅛ 88 | 0⅛ | 99⅛ | 99⅝ | 24/3 | 17.31 | 17.40 |
| Nat. West. Fin 5⅛ 91 | §0⅛ | 99⅛ | 99⅞ | 15/7 | 15.19 | 15.24 |
| Nippon Credit 5⅛ 90 | 0⅛ | 99⅛ | 99⅞ | 10/8 | 15.06 | 18.12 |
| Nordic Int Fin. 5⅛ 01 | 0⅛ | 98⅛ | 99⅛ | 5/5 | 16⅛ | 15.80 |
| Offshore Mining 5⅛ 91 | 0⅛ | 98⅛ | 99⅛ | 2/5 | 13 | 13.11 |
| Pemex 6 91 | 0⅛ | 96⅛ | 97 | 8/4 | 17 | 17.57 |
| PKbanken 5 91 | 0⅛ | 99 | 99⅛ | 17/6 | 14⅛ | 14.48 |
| Sanwa Int. Fin. 5⅛ 88 | 0⅛ | †99⅛ | 99⅝ | 24/3 | 17⅛ | 17.36 |
| Scotland Int. 5⅛ 92 | 0⅛ | 99⅛ | 99 | 23/3 | 13.94 | 14.11 |
| Sec. Pacific 5⅛ 01 | 0⅛ | 98⅛ | 99⅛ | 24/5 | 13⅛ | 13.37 |
| Societe Generale 5⅛ 91 | 0⅛ | 99⅛ | 99⅞ | 22/7 | 15⅛ | 15.36 |
| Standard Chart. 5⅛ 91 | 0⅛ | 98⅛ | 99 | 15/6 | 13.31 | 13.48 |
| Sumitomo Fin. 5⅛ 93 | 0⅛ | 99⅛ | 100⅛ | 9/8 | 15 | 15.02 |
| Toronto Domin'n 5⅛ 92 | 0⅛ | 99⅛ | 100⅛ | 11/8 | 16⅛ | 18.35 |

Average price changes... On day 0 on week 0

| CONVERTIBLE BONDS | Cnv. date | Cnv. price | Bid | Offer | Chg. day | Prem |
|---|---|---|---|---|---|---|
| Ajinomoto 5⅛ 96 | 7/81 | 938 | 93⅛ | 95⅛ | +3⅛ | 10.01 |
| Bow Valley Inv 8 95 | 4/81 | 23.12 | 94⅛ | 96 | +0⅛ | 92.99 |
| Bridgestone Tire 5⅛ 96 | 3/82 | 470 | 85 | 86⅛ | +3 | 2.58 |
| Canon 6⅛ 95 | 1/81 | 829 | 93⅛ | 95⅛ | +1⅛ | 3.86 |
| Daiwa Secs. 5⅛ 88 | 12/81 | 513.3 | †82 | 84 | 0 | −8.26 |
| Fujitsu Fanuc 4⅛ 96 | 10/81 | 6770 | 88 | 89⅛ | +0⅛ | 11.81 |
| Furukawa Elec. 5⅛ 96 | 7/81 | 300 | 100⅛ | 101⅛ | 0 | −9.17 |
| Hanson O/S Fin. 9⅛ 96 | 8/81 | 1.36 | †87 | 88 | 0 | −0.57 |
| Hitachi Cable 5⅛ 96 | 2/82 | 515 | 90⅛ | 91⅛ | −1⅛ | −9.50 |
| Hitachi Cred. Con. 5 96 | 7/81 | 1772 | 78⅛ | 80⅛ | +3⅛ | 6.61 |
| Honda Motor 5⅛ 97 | 3/82 | 841 | 84⅛ | 85⅛ | +3 | 5.02 |
| Inchcape 8 95 | 2/81 | 4.56 | †80⅛ | 82 | 0 | 20.13 |
| Kawasaki 5⅛ 96 | 9/81 | 229 | 66⅛ | 68 | +1⅛ | 7.60 |
| Marui 6 96 | 7/81 | 931 | 94⅛ | 95⅛ | +1⅛ | 12.09 |
| Minolta Camera 5 96 | 10/81 | 909 | 63 | 64⅛ | +2⅛ | 10.52 |
| Minorco 6⅛ 97 | 5/82 | 8.18 | †81⅛ | 82⅛ | +6⅛ | 25.28 |
| Murata 5⅛ 96 | 7/81 | 2190 | 81 | 82⅛ | +1⅛ | 21.45 |
| NKK 6⅛ 96 | 7/81 | 188 | 76⅛ | 78 | +1⅛ | −19.17 |
| Nippon Chemi-C 5 91 | 10/81 | 919 | 60 | 62 | 0 | 10.43 |
| Nippon Electric 5⅛ 97 | 2/82 | 846 | 94⅛ | 95⅛ | +0⅛ | 8.10 |
| Orient Finance 5⅛ 97 | 3/82 | 1567 | 80 | 91⅛ | +2⅛ | 12.10 |
| Sanyo Electric 5 96 | 10/81 | 652 | 87⅛ | 89⅛ | 0 | 1.03 |
| Sumitomo Met. 5⅛ 96 | 10/81 | 306 | 66⅛ | 67⅛ | +3⅛ | 11.26 |
| Swiss Re Con 6⅛ 90 | 8/80 | 191 | 70⅛ | 72⅛ | −0⅛ | 18.13 |
| Konishiroku 5 90 DM | 2/82 | 686 | 100 | 101 | −3 | −4.10 |
| Mitsubishi H. 5 89 DM | 2/82 | 283 | 94 | 94⅛ | −0⅛ | 8.88 |

* No information available—previous day's price.

† Only one market maker supplied a price.

Straight Bonds: The yield is the yield to redemption of the mid-price; the amount issued is in millions of currency units except for Yen bonds where it is in billions. Change on week=Change over price a week earlier.

Floating Rate Notes: Denominated in dollars unless otherwise indicated. Coupon shown is minimum. C.dte=Date next coupon becomes effective. Spread=Margin above six-month offered rate (‡ three-month; § above mean rate) for U.S. dollars. C.cpn=The current coupon. C.yld=The current yield.

Convertible Bonds: Denominated in dollars unless otherwise indicated. Chg. day=Change on day. Cnv. date=First date for conversion into shares. Cnv. price=Nominal amount of bond per share expressed in currency of share at conversion rate fixed at issue. Prem=Percentage premium of the current effective price of acquiring shares via the bond over the most recent price of the shares.

# France clings to prestige borrower status

BY PETER MONTAGNON, RECENTLY IN PARIS

IT SOMETIMES seems that the Treasury is determined to cling to the old low margins, says one French Euromarkets banker. "If they do they're dreaming—they don't realise the whole market is changing."

His comment goes right to the heart of the problem confronting France as it faces its second year in a row of high foreign borrowings.

For years France has enjoyed the prestige of being one of the Euromarkets' favourite borrowers, obtaining some of the lowest margins on record for its borrowings in the syndicated credit market.

The new Government of President Francois Mitterrand wants to maintain this premier position despite the country's mounting trade and current account deficit and a market that is tilting decisively in favour of lenders rather than borrowers.

Banks are beginning to insist on higher returns from international business since the Polish debt crisis.

Bad debts are mounting at home and abroad, and the decline in profitability of domestic business has only served to underline the meagre returns available on international lending, say French bankers.

Accepting higher margins as a result of general market conditions does not involve a loss of prestige for France, but the problem is made delicate by the current volatile state of the market.

It is acutely embarrassing for France to see Indonesia still able to borrow 10-year funds at a margin of only ⅜ per cent which France could not now easily match in open market syndication.

In Europe the forthcoming mandate for the Kingdom of Spain will be watched very carefully to see whether it does, as expected, embody an element of ⅜ per cent. It it does, France's resistance to higher margins for its own credits will be accentuated.

Above all, France wants to maintain the differential between itself and other international borrowers. To do so, it appears likely to wait for some time before floating a eurocredit—at least with a conventional structure.

Meanwhile, the hope is that margins for other countries such as Belgium and Ireland will rise, creating some leeway for a smaller increase in French margins at a later date.

In fact France has not floated a eurocredit since the $500m package for Credit Foncier at the end of last year. Part of this package involved an eight-year tranche at a margin over Libor of ⅜ per cent; the rest contained a prime-based option—the first ever by a French borrower—at a margin of only ⅛ over U.S. prime rates.

**Borrowing by French entities in international capital markets**

| | Euro-credits | International bonds |
|---|---|---|
| 1976 | $0.58bn | $2.72bn |
| 1977 | $2.3bn | $1.95bn |
| 1978 | $1.9bn | $1.29bn |
| 1979 | $2.96bn | $2.1bn |
| 1980 | $1.75bn | $2.82bn |
| 1981 | $3.9bn | $3.15bn |

*Source: Morgan Guaranty*

Since then there have been several undisclosed club and bilateral deals, one of the latest being a $25m seven-year credit with a margin of ⅜ per cent over Libor arranged for Charbonnages de France through Credit Lyonnais, Fuji Bank and International Westminster.

But the main thrust of France's efforts to raise international funds so far this year has been in the bond market. Morgan Guaranty figures show that in the first two months of 1982 French entities raised international bonds worth $1.25bn compared with only $772m in the same period of 1981.

This shows that the bond markets have overcome their initial resistance to the new socialist government. This was demonstrated by a period of several months last summer in which French entities stayed away from the Swiss bond market.

It also illustrates the opportunities in the bond market for diversifying source of funds and type of instrument. Charbonnages de France has raised money in the Kuwaiti Dinar market, while Gaz de France jumped on to the zero coupon bandwagon earlier this year with a $150m bond yielding 14.5 per cent. It is also tapping the D-mark sector, the first French entity to do so in two years.

But there is no sense in Paris of a desperate need to tap these markets for all they are worth. French bankers maintain that state entities can still afford to wait for the best conditions in any market.

Contrary to some expectations abroad French foreign borrowing is not likely to rise in real terms over last year when state entities raised a total of FFr 35bn to FFr 40bn in international capital markets.

This is despite an anticipated increase to about FFr 45bn from FFr 38bn in the country's current account balance of payments deficit this year.

If borrowings in the capital market do not cover this deficit it will, bankers say, simply be financed by other means such as a change in the net foreign liabilities of the banking system.

One way France could still raise extra money without floating new loans is by drawing on existing standby credits arranged with commercial banks principally, but not exclusively, to back up commercial paper lines in the U.S.

One avenue which appears more or less closed is investment by non-residents in the French domestic bond market. This yielded some FFr 4bn to FFr 5bn in 1980. Last year uncertainties following the change in government reduced this amount to a minimal level and this year it is unlikely to pick up significantly.

France is seeking to expand its domestic bond market, but exchange rate considerations are likely to leave it relatively unattractive to non-resident investors.

Similarly, a reopening of the euro French Franc bond market, which could act as a source of exchange-risk free money for French borrowers, seems to be slipping further into the future.

# East Asiatic axes payout after big loss in 1981

BY HILARY BARNES IN COPENHAGEN

EAST ASIATIC, the trading and industrial group which is Denmark's largest company, has plunged heavily into the red for 1981 and will not pay a dividend. Net losses totalled DKr 282m ($36m), compared to a profit of DKr 255m in 1980 out of which East Asiatic paid a dividend of 10 per cent.

Sales improved by 16 per cent to DKr 24.8bn, but profits before net financial costs fell from DKr 1.14bn to DKr 815m. Net financial costs increased from DKr 701m to DKr 915m, giving a loss after financial expenses of DKr 100m.

There was a loss of DKr 66m net under extraordinary items compared with a credit in 1980 of DKr 75m which was due to provisions against losses and the winding up of investments of DKr 173m. At the same time a DKr 255m loss in unrealised exchange rate losses, which in earlier years had been booked under financial expenses in the profit and loss account, was last year taken against the balance sheet and covered by a transfer from the special contingency fund.

"It has been a difficult year," the company said yesterday, adding that 1982 would also be difficult. "But we are confident that we shall be able to achieve a considerable improvement in the results, even though no appreciable recovery is anticipated in world trade conditions."

The management has in the past year concentrated on problem areas to improve profitability, reduce dependence on activities sensitive to cyclical fluctuations and improve gearing, said the board. A systematic elimination of certain loss-making divisions has been embarked upon in order to "concentrate resources in areas where the company is strongest."

# Bertelsmann to curb growth

BY KEVIN DONE IN FRANKFURT

BERTELSMANN, THE West German media group which expanded rapidly throughout the 1970s, plans to curb growth over the next two years in the face of difficulties in world markets.

Sales for the first six months of this year have ben running modestly below budget, the company says. This trend follows a sticky profits performance in 1980-81.

After-tax profits imporved from DM 58m to D M63m last year. But on a comparable basis, adjusting for accounting changes, the 1979-80 profit was D M64m while that for 1978-79 totalled DM 74m.

The new chairman, who took over in June last year as chief executive from Heer Reinhard Mohn, the main architect and owner of the Bertelsmann publishing empire, is making the group's chief priorities:

- Elimination of loss-making operations.
- Tight costs management.
- Improved productivity in manufacturing areas.
- rationalisation of operations —such as printing—hit by the recession.

The major loss-maker closed lasta year was the ambitious venture to establish the magazine Geo in the U.S. as a competitor to "National Geographic." It was sold to the Californian publishing group Knapp Communications having run up cumulative losses of $25m.

In addition Bertelsmann has sold its Brazilian Ariola records subsidiary to Polygram, the Siemens/Philips joint venture, and it has also sold to Polygram its record club interest in Sweden and Norway. Book club operations in parts of Latin America have been closed.

Despite Bertelsmann's determination to follow a more measured investment strategy over the next two years it is considering various ventures, including the setting up of book club operations in the U.S. Market tests are under way and a final decision is expected by the middle of next year.

The project could cost as much as DM 100m to establish, with Bertelsmann financing investment on a 50/50 basis with a U.S. partner.

Bertelsmann plans to introduce a video disc for trade and commercial applications later this year. It does not see a mass market yet for the video disc and will concentrate its attention on selling discs for advertising and educational purposes.

Bertelsmann is also undertaking market studies with Deutsche Welle, the Federal Republic's overseas broadcasting service, with a view to packaging West German television programmes for sale to U.S. cable television networks.

# Ferruzzi close to French commodity deal

By Rupert Cornwell in Rome

FERRUZZI, the leading Italian sugar and grains concern, is close to signing an agreement with Sucres et Denrees of Paris, the leading commodity dealer, which could have far reaching consequences in the international sugar industry.

The alliance will be channelled through the Milan based trading company Comei, which is 75 per cent owned by Sucres et Denrees, in turn controlled by the Varsano family.

Under a draft agreement Comei will increase its capital from L800m to L20bn ($1.6m). The bulk of the increase will be taken up by Ferruzzi Spa and its Eridania subsidiary, so that the French and Italian groups each have 50 per cent holdings.

The agreement, expected to be signed shortly, will bring together a trading and dealing house which handled an estimated $4bn of business in 1981, and the increasingly assertive Ravenna-based group, entirely controlled by the Ferruzzi family.

Ferruzzi's last declared sales of L1,200bn ($960m) relate to 1979, and cover only its directly controlled Italian affiliates. Its would-wide turnover might be three or more times larger.

In 1980 only a veto from the French Government prevented Ferruzzi from gaining control of Beghin-Say, the largest French sugar producer. There has been repeated speculation that a new attempt might be made.

# GI guarantees extended

By Fay Gjester in Oslo

NORWAY'S State-backed Guarantee Institute (GI), created in the mid-1970s to help Norwegian shipowners ride out the tanker crisis by providing guarantees on shipbuilding loans, was yesterday granted another year of life.

The Government proposes to keep the GI in existence until March 2 1983 with authority to make good guarantees up to a limit of NKr 2bn. The GI will not however undertake new guarantee commitments. It will simply wind up those already on its books.

Through its recent deal with creditors, the GI has ended its guarantee obligations in connection with the 12 ships of the Reksten fleet, at a net cost to the State of about Nkr 770m. The deal left the GI owning two Reksten tankers.

Apart from the Reksten fleet, the GI has given loan guarantees on 10 tankers and a number of oil drilling rigs.

# Reduced armaments sales depress Bofors profit

BY WILLIAM DULLFORCE IN STOCKHOLM

BOFORS, the Swedish armaments manufacturer, saw earnings fall by 24 per cent from SKr 251m in 1980 to SKr 191m ($33.2m) last year with sales declining from SKr 3.8bn to SKr 3.7bn.

The setback is due to a lower volume of ordnance deliveries and is slightly worse than forecast. Bofors had earlier predicted profits of SKr 200m.

The board recommends an increase in dividend from SKr 7.20 to SKr 8 a share. But the net adjusted return corresponds to SKr 20.05 against SKr 26.25 after adjusting for a scrip issue.

Reorganisation has resulted in net extraordinary losses of SKr 73m, reducing the pre-tax figure to SKr 118m compared with SKr 216m in 1980. The net profit has declined from SKr 115m to SKr 46m.

Ordnance sales dropped by SKr 215m to SKr 2.1bn and turned in an operating profit of SKr 190m, down by SKr 68m. The volume of deliveries reached the planned level, but was lower than in 1980 when heavy orders for the Swedish defence forces were completed. There was also some narrowing of profit margins.

Bofors-Nobel, the chemicals division, improved both turnover and profit, producing an operating income of SKr 33m on sales of SKr 526m. A considerably better result was achieved by the American subsidiary.

# Dicken leaves Commerzbank

By Stewart Fleming in Frankfurt

HERR ENGLEBERT DICKEN, the Commerzbank board member responsible for money and foreign exchange management has resigned.

Ever since Commerzbank ran into serious profit problems in 1980 as a result of misjudging interest rates and attempting to expand its assets too aggressively there has been speculation that Herr Dicken, who was directly responsible at least for the liability management, might resign.

In the event his departure from the bank comes in the wake of Commerzbank's recruitment of Herr Martin Kohlhaussen from the Westdeutsche Landesbank, the bank from which Commerzbank last year drew its chief executive, Dr Walter Seipp.

GOLD MINES INDEX HOVERS AT 28-MONTH LOW

# Johannesburg market loses glitter

BY JIM JONES IN JOHANNESBURG

INVESTORS in Johannesburg have been biting the bullet this week. On Tuesday the Rand Daily Mail Golds index reached 411.2 — its lowest level since November, 1979, compared with an all-time high of 1,026.1 in September, 1980, and 600.8 on the last trading day before Christmas last year.

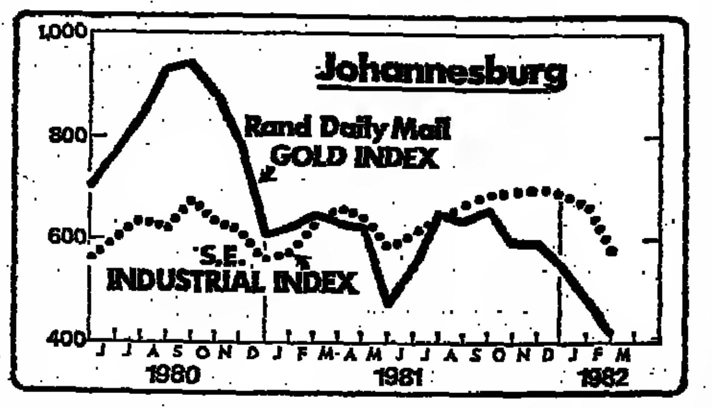
Apart from the economic and financial factors which have been bearing down on the stock market, sentiment has not been helped by the destruction of one of the tenets of Johannesburg investment faith. Until Tuesday this week no one believed that De Beers would ever again cut its dividend. The last time was in 1944 and the diamond company since has steadily increased dividends, even if in some years payments remained unchanged.

De Beers shares became the cornerstone of major-long-term investment portfolios and certainly not a counter to be used for trading.

Tuesday's announcement of a halving to 25 cents of De Beers' final dividend emphasised to investors how fragile is the country's minerals industry.

Two years ago De Beers had cash resources of more than R1bn ($1.2bn at those exchange rates), which was earmarked for supporting the diamond market.

Now the company has more or less exhausted its cash and, far from being the cash cow of the larger Anglo American Corporation group, it has raised a short-term loan of R200m from an associated company, believed to be Anglo American.




De Beers' dividend cut was one of many negative influences which seem to indicate that the present period of weakness has longer to run.

Even as the RDM Golds index reversed its slide on Wednesday, the broadly-based JSE Actuaries Industrial index was shedding a tenth of a point to 572.6 from 572.7 on Tuesday. On January 5 the index was at 703.7, only half a point below the all-time high of 704.2 reached last October 21.

The weight of institutional funds was one of the reasons advanced early this year and late in 1981 to justify a continuation of share prices at year-end levels. But the pension funds and unit trusts have since the start of this year shown that they are under no compulsion to buy shares at prices they consider too high.

Non-tax paying institutions such as pension funds now are earning 20 per cent on call money. At current levels the overall yield on the non-mining market sector is about 7.5 per cent with little chance of improvement through higher dividends.

Long-term rates are just below 15 per cent and several institutions appear to be locking themselves into long-dated gilts and semi-gilts so the surprise of some theorists, the institutions are proving flexible enough to avoid stock investments they believe to be expensive.

Gold's steady fall is also hitting the country's balance of payments and budgetary planning. Volkskas, South Africa's fourth largest bank, points out in its latest economic review that a solution will soon have to be found to the rising current account deficit in the balance of payments. The solution it suggests is much stricter control over the increase in domestic spending.

Faced with a budget deficit estimated to reach R5bn largely because of lower gold mine tax revenues in fiscal 1982-83, it is widely expected that sharply higher tax rates both for industry and individuals will be announced in the March 24 budget.

Apart from the effect this will have on private consumption, and corporate profits, consumer spending expectations have been reduced by the recent increase in general sales tax to 5 per cent from 4 per cent, higher interest rates for consumer credit and a tightening of the regulations on credit sales.

The retail and motor sectors, particularly, are likely to report lower profits this year, not just a decline in growth rates as in the past two or three years. South African investors, grown used to steadily rising corporate earnings and dividends will find it hard to come to grips with such a development.

The institutional fund managers' consensus is that the industrial index will fall to between 550 and 500. Mr Peter Bieber, investment manager of South Africa's largest insurance company, The Old Mutual, believes that earlier forecasts of a 20 per cent market decline from its peak still appear realistic. He believes the fall is nearly over and that some institutions are buying shares which have moved out of line with the market.

No one is prepared to forecast a recovery before the middle of 1983 when the South African economy is expected to start to benefit from the improving economies of major trading partners. But as with everything to do with equity investment in South Africa, much depends on gold's performance in the near-term.

# Sun Hung Kai Securities boosts earnings by 35%

BY KEVIN RAFFERTY IN HONG KONG

SUN HUNG Kai Securities, Hong Kong's largest stockbroker, has announced a 35 per cent increase in consolidated after-tax profits for 1981 to HK$182.58m (U.S.$31.4m). With the addition of extraordinary profits of HK$34.29m against HK$76.54m in 1980 the gain in total profits was more modest however.

The company plans to pay an unchanged final dividend of 25 cents a share, for a total payout up to 45 cents from 35 cents previously. Per share profits came to 75.1 cents against 61.3 cents, a 22.5 per cent gain.

Mr Fung King Hey, the chairman, attributed the "excellent results" to the "continual buoyant market conditions in Hong Kong, shares and bullion and the group's expanding activities in underwriting, broking and property investments."

He says that 1982 international economic prospects are clouded but if the international economy revives in the second half that "with an increasingly stable tripartite relationship developing between China, Britain and Hong Kong, the financial services sector should be able to make further progress in an improving environment."

Over the next year, he says, Sun Hung Kai Securities will expand its international business.

The concern already has offices in London and Singapore, while in Hong Kong it is reckoned to account for about 30 per cent of stockbroking

# SHK Finance reports slower profits growth

BY OUR HONG KONG CORRESPONDENT

A 17 per cent increase in net profits to HK$70.4m (U.S.$ 12.1m) for 1981 has been announced by Sun Hung Kai Finance, Hong Kong's largest local deposit taking company. The company, in which the Paribas group of France has a minority stake, was floated off from Sun Hung Kai Securities in 1978.

Per share earnings rose by 2 cents to 43 cents after adjustment for 1980's one-for-five rights issue. The directors have proposed a final dividend of 16 cents per share making a total of 25 cents for the year compared with 20 cents last year and in line with the forecast at the time of the rights issue.

The rise in profits last year was the smallest for some years and compares with the 1980 profit increase of 50 per cent. The result has given rise to speculation that Sun Hung Kai may have transferred greater sums than usual to the undeclared inner reserves in preparation for its change to bank status later this year.

Growth in the balance sheet was impressive, however, with deposits up by 42 per cent over 1980 to HK$3.1bn. Total assets amounted to nearly HK$4.3bn, up by 47 per cent.

Winning of the bank licence last month was a triumph because it was the first licence to be issued to a local institution since 1965. As a bank, Sun Hung Kai will have greater access to funds to build its deposit base.

# APPOINTMENTS

## Senior posts at Samuel Montagu

SAMUEL MONTAGU AND CO has appointed Mr Anthony Arfwedson, Mr Martin Lee-Warner and Mr Andrew Pocock as executive directors and Mr Krister Wallin as a non-executive director. Mr Arfwedson will be joining the corporate finance division; he was previously a vice-president of Dillon Read Overseas Corporation. Mr Lee-Warner will be resident in Hong Kong; he was previously chief regional representative for the Scandinavian Bank Group in Asia-Pacific region. Mr Pocock will be joining the banking and finance division; he was previously an assistant general manager of Scandinavian Bank. Mr Wallin, who is Swedish, is chief executive of Carnegie Montagu, a merchant bank in Stockholm, recently established by Samuel Montagu and Co. and Investment AB D Carnegie, both of whom have a 45 per cent shareholding; Förskrings AB Skandia has a 10 per cent shareholding.

Mr Ian C. Musgrave has been appointed treasurer of the PLESSEY CO. on the retirement of Mr P. H. A. Kenyon. Mr Musgrave has been with Plessey for four years, initially as taxation manager and latterly as group finance manager.

Mr B. W. Rowbotham has been appointed chairman of MORGAN-GRAMPIAN. He continues as group managing director. He is also a director of Fleet Holdings—the holding company of Morgan-Grampian.

Mr D. P. McNaughton has been appointed managing director of WILSON'S MANCHESTER BREWERY, succeeding Mr J. W. M. Wilson, who becomes director of property for the Grand Metropolitan brewing and retailing division. Mr McNaughton was formerly general manager, Northern Europe, for Corning Glass.

Mr David Lee, chairman of D'Arcy-MacManus and Masius London, and vice-chairman of D'ARCY-MACMANUS AND MASIUS WORLDWIDE, has been appointed chief operating officer of the company in Europe and Africa. While Mr Lee retains his chairmanship of Masius London, the responsibility of chief executive officer passes to Mr Alan Clark, managing director. In addition, Mr Clark becomes a member of the D'Arcy-MacManus and Masius Worldwide executive committee. Mr Mark Gilbert and Mr Roger Hoodless are appointed assistant managing directors of Masius London.

BISON CONCRETE has appointed Mr Derek W. Hankinson as managing director of its UK operations. He was operations director.

A senior executive from Unilever has been appointed by the board of the CO-OPERATIVE DEVELOPMENT AGENCY as director. Mr George E. Jones, who has been seconded from Unilever, succeeds Mr Dennis Lawrence, the first director of CDA, who has retired but remains on the Board. Mr Jones was a director of the Unilever subsidiary BOCM Silcock and chairman of Unitrition, a subsidiary of BOCM, which developed and processed waste straw into animal feedstuff.

Mr Peter Cazaly has been appointed to the board of LONDON WEEKEND TELEVISION as director of production.

Mr H. B. McKenzie Johnston becomes vice chairman of the COMMISSION FOR LOCAL ADMINISTRATION IN ENGLAND. He has been a local commissioner since September 1981 and deals with complaints from the South and West, the West Midlands and East Anglia (except Essex). He was formerly Deputy Parliamentary Commissioner for Administration.

Mr P. A. FitzSimons, finance director, and Mr D. E. Tagg, personnel and administration director, have been appointed to the board of WATNEY MANN AND TRUMAN BREWERS. Mr Robin Soames has requested to be released from his executive duties as a director and to retire at the end of June to devote himself to his personal business interests.

The CROWN LIFE GROUP appointed Mr Michael Christophers to the newly-created post of director of finance. He comes from Commercial Union Assurance, where he was life actuary.

New head of the CONFEDERATION OF BRITISH INDUSTRY's Mid-Glamorgan Group is Mr R. T. John Tree, chairman and managing director of Form and Surface Grinding, Pontypridd. He succeeds Mr Brian Simpson, director of Dunlopillo-Europe, Aberdare.

# CURRENCIES, MONEY and GOLD

## Pound improves

Sterling showed an overall improvement in currency markets yesterday. A cut in clearing banks' base rates by half a point to 13 per cent had been widely discounted and with London money market rates virtually unchanged from Wednesday sterling was able to show a firmer tendency.

The dollar was stronger against most currencies apart from the pound and reflected a rise in Euro-dollar interest rates.

There was little movement within the European Monetary System yesterday with the Dutch guilder remaining the strongest currency followed by the Danish krone. The Belgian franc was again the weakest member.

STERLING — Trade-weighted index 90.4 against 90.2 at noon and in the morning, 90.1 at the previous close, and 87.5 six months ago. Three-month interbank 13 13/16 per cent (13½ per cent six months ago). Annual inflation 12 per cent (unchanged from previous month)—The pound finished unchanged at $1.8105-1.8115. It opened at $1.8100-1.8110, and fell to a low of $1.8060-1.8070 in the morning, touching a peak of $1.8140-1.8150 in the afternoon. Sterling rose to DM 4.2925 from DM 4.27; to FFr 10.9850 from FFr 10.9250; to SwFr 3.3875 from SwFr 3.3650; and to Y430.50 from Y430.

DOLLAR — Trade-weighted index (Bank of England) 113.3 against 112.9 on Wednesday, and 110.6 six months ago. Three-month Treasury bills 12.63 per cent (14.54 per cent six months ago). Annual inflation rate 8.4 per cent (8.9 per cent previous month) — The dollar rose to DM 2.3685 from DM 2.3570 against the D-Mark; to FFr 6.0660 from FFr 6.0350 against the French franc; to SwFr 1.8690 from SwFr 1.8575 in terms of the Swiss franc; and to Y239.25 from Y237.25 against the yen.

D-MARK — EMS member (second weakest) trade-weighted index 122.4 against 122.5 on Wednesday, and 117.5 six months ago. Three-month interbank 9.975 per cent (12.75 per cent six months ago). Annual inflation 5.3 per cent (6.3 per cent previous month)—The D-mark improved against three members of the EMS at the Frankfurt fixing, lost ground to two, and was unchanged against the Dutch guilder at DM 91.3150 per 100 guilders. The Irish punt rose to DM 3.5280 from DM 3.5260, and the Danish krone to DM 29.77 per 100 krone from DM 29.76. The Belgian franc fell to DM 5.3990 per 100 francs from DM 5.4070, and the French franc to DM 39.02 per 100 francs to DM 39.06. The Bundesbank sold $14.8m when the dollar fell to DM 2.3615 from DM 2.3623 at the fixing. This was the first intervention to sell dollars at the fixing by the central bank since March 4, indicating that the market may be nervous of a possible cut in the special Lombard rate from 10 per cent.

FRENCH FRANC—EMS member (third weakest) trade weighted index 79.7 against 79.9 on Wednesday, and 82.5 six months ago. Three-month interbank 14¾ per cent (17.25 per cent six months ago). Annual inflation 13.9 per cent (14 per cent previous month)—The franc lost ground against four members of the EMS at the Paris fixing, was unchanged against the Belgian franc, and improved against the Italian lira. The D-mark rose to FFr 2.5621 from DM 2.5505; the Dutch guilder to FFr 2.3396 from DM 2.3387; the Danish krone to FFr 76.35 per 100 francs from FFr 76.21; and the Irish punt to FFr 9.0480 from FFr 9.0350. The Belgian franc was unchanged at FFr 13.8465 per 100 francs.

### THE POUND SPOT AND FORWARD

| March 11 | Day's spread | Close | One month | % p.a. | Three months | % p.a. |
|---|---|---|---|---|---|---|
| U.S. | 1.8060-1.8150 | 1.8105-1.8115 | 0.17-0.27c dis | -1.46 | 0.57-0.77dis | -1.45 |
| Canada | 2.1880-2.1960 | 2.1935-2.1945 | 0.40-0.50c dis | -2.46 | 1.35-1.45dis | -2.55 |
| Nethlnd. | 4.65¼-4.70¾ | 4.69¼-4.70¼ | 2¼-1⅛c pm | 5.47 | 5⅝-4⅝ pm | 4.22 |
| Belgium | 78.35-79.40 | 79.25-79.35 | [illegible] | [illegible] | 8-18 dis | [illegible] |
| Denmark | 14.33-14.40 | 14.38¾-14.39¾ | 3-3ore dis | -2.08 | 7¼-8⅝ dis | -2.32 |
| Ireland | 1.2090-1.2170 | 1.2150-1.2160 | 0.65-0.77p dis | -7.01 | 1.30-1.97dis | -5.37 |
| W. Ger. | 4.26-4.30 | 4.29¼-4.29¾ | 1½-1¼pf pm | 4.16 | 4⅝-3⅝ pm | 3.84 |
| Portugal | 125.20-126.20 | 125.65-125.85 | 85-185c dis | -12.85 | 130-400 dis | -8.45 |
| Spain | 187.70-189.00 | 188.80-189.00 | 25-35c dis | -2.54 | 135-170 dis | -3.22 |
| Italy | 2,304-2,316 | 2,312½-2,314½ | 13-18 lire dis | -7.52 | 41½-44½ dis | -7.43 |
| Norway | 10.82-10.87 | 10.84-10.85 | par-1ore dis | -0.55 | 1½-4½ dis | -1.11 |
| France | 10.92-10.99 | 10.98-10.99 | 1-1¼c dis | -1.36 | 6¾-7¾ dis | -2.82 |
| Sweden | 10.47-10.52 | 10.48½-10.49½ | 1ore pm-½ dis | 0.14 | 1-½ pm | 0.09 |
| Japan | 428-435 | 430-431 | 2.70-2.35y pm | 6.89 | 7.60-7.05 pm | 6.81 |
| Austria | 29.90-30.15 | 30.10-30.15 | 16-11gro pm | 5.18 | 30-25 pm | 3.82 |
| Switz. | 3.36-3.40 | 3.38¾-3.39¾ | 2¼-1⅛c pm | 7.53 | 6¼-5¼ pm | 6.78 |

Belgian rate is for convertible francs. Financial franc 87.25-87.35. Six-month forward dollar 1.50-1.60c dis, 12-month 2.60-2.70c dis.

### THE DOLLAR SPOT AND FORWARD

| March 11 | Day's spread | Close | One month | % p.a. | Three months | % p.a. |
|---|---|---|---|---|---|---|
| UK† | 1.8060-1.8150 | 1.8105-1.8115 | 0.17-0.27c dis | -1.46 | 0.57-0.77dis | -1.48 |
| Ireland† | 1.4900-1.4955 | 1.4900-1.4920 | 0.77-0.67c pm | 5.79 | 1.81-1.58 pm | 4.54 |
| Canada | 1.2110-1.2120 | 1.2110-1.2115 | 0.10-0.13c dis | -1.14 | 0.27-0.31dis | -0.95 |
| Nethlnd. | 2.5845-2.5940 | 2.5910-2.5940 | 1.27-1.17c pm | 5.65 | 3.60-3.50 pm | 5.49 |
| Belgium | 43.70-43.80 | 43.78-43.80 | 4-6c dis | -1.37 | 3-5 dis | -0.36 |
| Denmark | 7.9250-7.9450 | 7.9250-7.9300 | 0.35-0.50ore dis | -0.64 | 1.00-1.50dis | -0.63 |
| W. Ger. | 2.3570-2.3700 | 2.3680-2.3690 | 1.07-1.02pf pm | 5.29 | 3.17-3.12 pm | 5.31 |
| Portugal | 69.25-69.55 | 69.35-69.55 | 30-90c dis | -10.37 | 70-200 dis | -7.77 |
| Spain | 103.95-104.35 | 104.30-104.35 | 8-18c dis | -1.49 | 40-55 dis | -1.82 |
| Italy | 1,276-1,279 | 1,278-1,279 | 6¾-7¼ lire dis | -6.34 | 18-20 dis | -5.93 |
| Norway | 5.9750-5.9930 | 5.9750-5.9800 | 0.10-0.50ore dis | -0.15 | 0.15 pm-par | 0.05 |
| France | 6.0450-6.0685 | 6.0635-6.0685 | 0.05c pm-0.10dis | -0.05 | 1.35-1.65dis | -0.99 |
| Sweden | 5.7800-5.8040 | 5.7950-5.7950 | 1.00-0.80ore pm | 1.92 | 1.30-0.95 pm | 0.78 |
| Japan | 237.60-239.40 | 238.30-238.50 | 1.75-1.60y pm | 8.40 | 4.95-4.80 pm | 8.17 |
| Austria | 16.57-16.64 | 16.63-16.64 | 10-8gro pm | 6.78 | 24½-21½ pm | 5.64 |
| Switz. | 1.8570-1.8700 | 1.8685-1.8695 | 1.45-1.37c pm | 9.05 | 3.78-3.67 pm | 7.96 |

† UK and Ireland are quoted in U.S. currency. Forward premiums and discounts apply to the U.S. dollar and not to the individual currency.

### CURRENCY MOVEMENTS

| Mar. 11 | Bank of England Index | Morgan Guaranty Changes % |
|---|---|---|
| Sterling | 90.4 | -35.2 |
| U.S. dollar | 113.3 | +5.9 |
| Canadian dollar | 88.7 | -17.3 |
| Austrian schilling | 116.6 | +24.7 |
| Belgian franc | 96.5 | -0.6 |
| Danish kroner | 84.1 | -12.6 |
| Deutsche mark | 122.4 | +45.0 |
| Swiss franc | 155.3 | +100.1 |
| Guilder | 113.1 | +20.1 |
| French franc | 79.7 | -14.3 |
| Lira | 56 | -57.7 |
| Yen | 136.8 | +51.0 |

Based on trade weighted changes from Washington agreement December, 1971. Bank of England Index (base average 1975=100).

### CURRENCY RATES

| Mar. 10 | Bank rate % | Special Drawing Rights | European Currency Unit |
|---|---|---|---|
| Sterling | — | 0.623254 | 0.564768 |
| U.S. $ | 13 | 1.12890 | 1.02132 |
| Canadian $ | 16.16 | 1.36913 | 1.23878 |
| Austria Sch. | 6¾ | 18.7738 | 16.9895 |
| Belgian F. | 13 | 49.3668 | 44.6720 |
| Danish Kr. | 11 | 8.96468 | 8.11434 |
| D mark | 7½ | 2.66680 | 2.41391 |
| Guilder | 8½ | 2.92832 | 2.64817 |
| French F. | 9½ | 6.83134 | 6.18392 |
| Lira | 19 | 1439.81 | 1302.41 |
| Yen | 5½ | 269.864 | 240.699 |
| Norwgn. Kr. | 9 | 6.76305 | 6.11728 |
| Spanish Pta. | 8 | 117.179 | 105.991 |
| Swedish Kr. | 11 | 6.52768 | 5.91897 |
| Swiss Fr. | 6 | 2.10201 | 1.90210 |
| Greek Dr'ch. | 20½ | — | 62.5376 |

### OTHER CURRENCIES

| Mar. 11 | £ | $ | | Note Rates |
|---|---|---|---|---|
| Argentina Peso | 18,784-18,804 | 10,330-10,400 | Austria | 29.65-30.15 |
| Australia Dollar | 1.7033-1.7053 | 0.9488-0.9430 | Belgium | 86.60-87.60 |
| Brazil Cruzeiro | 256.67-250.87 | 143.58-143.45 | Denmark | 14.30-14.44 |
| Finland Markka | 8.150-8.208 | 4.5410-4.5440 | France | 10.90-11.00 |
| Greek Drachma | 121.147-132.911 | 61.00-61.20 | Germany | 4.26-4.30 |
| Hong Kong Dollar | 10.49-10.51 | 5.7950-5.8000 | Italy | 2280-2330 |
| Iran Rial | 147.60 | 81.20 | Japan | 428-438 |
| Kuwait Dinar (KD) | 0.518-0.518 | 0.2841-0.2843 | Netherlands | 4.66¼-4.70½ |
| Luxembourg Fr. | 79.26-79.35 | 43.78-43.80 | Norway | 10.80-10.90 |
| Malaysia Dollar | 4.21-4.23 | 2.3255-2.3275 | Portugal | 123¼-129 |
| New Zealand Dlr. | 2.3166-2.3195 | 1.2810-1.2820 | Spain | 188½-193½ |
| Saudi Arab. Riyal | 6.16-6.20 | 3.4195-3.4215 | Sweden | 10.46-10.56 |
| Singapore Dollar | 3.8210-3.8510 | 2.1205-2.1225 | Switzerland | 3.33¾-3.39¾ |
| Sth. African Rand | 1.8445-1.8460 | 1.0185-1.0205 | United States | 1.80-1.82 |
| U.A.E. Dirham | 6.55-6.65 | 3.6715-3.6735 | Yugoslavia | 92-100 |

* Now one rate. * Selling rate.

### EMS EUROPEAN CURRENCY UNIT RATES

| | ECU central rates | Currency amounts against ECU March 11 | % change from central rate | % change adjusted for divergence | Divergence limit % |
|---|---|---|---|---|---|
| Belgian Franc | 44.6963 | 44.6721 | -0.04 | -0.02 | ±1.5440 |
| Danish Krone | 8.18382 | 8.11674 | -0.89 | -0.87 | ±1.6428 |
| German D-Mark | 2.41815 | 2.41585 | -0.10 | -0.08 | ±1.1097 |
| French Franc | 6.19564 | 6.18910 | -0.11 | -0.09 | ±1.3743 |
| Dutch Guilder | 2.67296 | 2.64881 | -0.90 | -0.88 | ±1.5069 |
| Irish Punt | 0.686799 | 0.684627 | -0.32 | -0.30 | ±1.6689 |
| Italian Lira | 1305.13 | 1303.49 | -0.13 | -0.13 | ±4.1242 |

Changes are for ECU, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

Sterling/ECU rate for March 11 0.564411

### EXCHANGE CROSS RATES

| Mar. 11 | Pound Sterling | U.S. Dollar | Deutschem'k | Japan'se Yen | French Franc | Swiss Franc | Dutch Guild' | Italian Lira | Canada Dollar | Belgian Franc |
|---|---|---|---|---|---|---|---|---|---|---|
| Pound Sterling | 1. | 1.811 | 4.293 | 433.5 | 10.985 | 3.388 | 4.700 | 2314. | 2.194 | 79.30 |
| U.S. Dollar | 0.552 | 1. | 2.370 | 239.4 | 6.066 | 1.871 | 2.595 | 1277. | 1.211 | 43.79 |
| Deutschemark | 0.233 | 0.422 | 1. | 101.0 | 2.559 | 0.789 | 1.095 | 539.0 | 0.511 | 18.47 |
| Japanese Yen 1,000 | 2.307 | 4.178 | 9.902 | 1000. | 25.34 | 7.814 | 10.84 | 5337. | 5.061 | 182.9 |
| French Franc 10 | 0.910 | 1.649 | 3.908 | 394.6 | 10. | 3.084 | 4.278 | 2106. | 1.997 | 72.19 |
| Swiss Franc | 0.295 | 0.535 | 1.267 | 128.0 | 3.243 | 1. | 1.387 | 683.0 | 0.648 | 23.41 |
| Dutch Guilder | 0.213 | 0.385 | 0.913 | 92.23 | 2.337 | 0.721 | 1. | 492.2 | 0.467 | 16.87 |
| Italian Lira 1,000 | 0.432 | 0.783 | 1.855 | 187.4 | 4.748 | 1.464 | 2.032 | 1000. | 0.948 | 34.28 |
| Canadian Dollar | 0.456 | 0.826 | 1.957 | 197.6 | 5.007 | 1.544 | 2.142 | 1054. | 1. | 36.14 |
| Belgian Franc 100 | 1.261 | 2.284 | 5.413 | 546.7 | 13.85 | 4.272 | 5.927 | 2917. | 2.767 | 100. |

### FT LONDON INTERBANK FIXING (11.00 a.m. MARCH 11)

| 3 months U.S. dollars | | 6 months U.S. dollars | |
|---|---|---|---|
| bid 14 11/16 | offer 14 15/16 | bid 14 11/16 | offer 14 15/16 |

The fixing rates are the arithmetic means, rounded to the nearest one-sixteenth, of the bid and offered rates for $10m quoted by the market to five reference banks at 11 am each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque Nationale de Paris and Morgan Guaranty Trust.

### EURO-CURRENCY INTEREST RATES (Market closing Rates)

| Mar. 11 | Sterling | U.S. Dollar | Canadian Dollar | Dutch Guilder | Swiss Franc | West German Mark | French Franc | Italian Lira | Belgian Franc Convertible | Japanese Yen |
|---|---|---|---|---|---|---|---|---|---|---|
| Short term | 13¾-14 | 14¼-14⅜ | 12-13 | 9⅛-9⅜ | 2¾-3¼ | 9⅝-9⅞ | 14-14½ | 18½-20½ | 13½-13¾ | 6¼-6½ |
| 7 days' notice | 13⅞-14⅛ | 14½-14⅝ | 12-13 | 9½-9⅝ | 3⅛-4 | 9⅞-9⅞ | 14-14½ | 20½-22½ | 11⅞-14⅛ | 6⅝-6⅞ |
| Month | 13⅛-13⅝ | 14⅝-14⅞ | 15⅛-16⅞ | 9⅞-9⅞ | 5⅞-6⅛ | 9⅞-9⅞ | 14⅝-14⅞ | 20⅝-21⅝ | 13-14 | 6⅞-6⅞ |
| Three months | 13⅞-13⅞ | 14⅝-14⅞ | 15⅝-16 | 9⅞-9⅞ | 6⅛-6⅛ | 9⅞-9⅞ | 13⅝-15⅞ | 20¾-21⅝ | 13½-14⅛ | 6½-6⅝ |
| Six months | 13⅞-13⅞ | 14⅝-14⅞ | 15⅝-16⅛ | 8⅞-9⅛ | 6⅞-7 | 9⅛-9⅞ | 16¼-18¾ | 20⅝-21¼ | 13⅞-14⅝ | 6⅞-6⅞ |
| One Year | 16¼-13⅞ | 14⅝-14⅞ | 15-16⅛ | 9⅛-9¼ | 6⅞-7⅛ | 9⅞-9⅞ | 16¾-17¼ | 21¼-22⅛ | 14⅛-14⅞ | 6⅝-6¾ |

BFr (financial): short-term 12½-13½ per cent; seven days' notice 13⅛-13⅜ per cent; one month 13½-13⅞ per cent; three months 13 7/16-13 11/16 per cent; six months 13⅝-13⅞ per cent; one year 13⅝-13⅞ per cent.

SDR linked deposits: one month 12 7/16-12 11/16 per cent; three months 12⅞-13 per cent; six months 12 11/16-13 1/16 per cent; one year 12¾-13⅛ per cent.

ECU linked deposits: one month 12 7/16-12 11/16 per cent; three months 12 9/16-12 15/16 per cent; six months 12¾-13⅛ per cent; one year 12⅞-13¼ per cent.

Asian $ (closing rates in Singapore): one month 14 11/16-14 13/16 per cent; three months 14 11/16-14 13/16 per cent; six months 14⅝-14⅞ per cent; one year 14 11/16-14 15/16 per cent. Long-term Eurodollar two years 15-15⅛ per cent; three years 15⅛-15⅜ per cent; four years 15¼-15½ per cent; five years 15¼-15½ per cent nominal closing rates. Short-term rates are call for U.S. dollars, Canadian dollars and Japanese yen; others two days' notice.

The following rates were quoted for London dollar certificates of deposit: one month 14.30-14.40 per cent; three months 14.35-14.45 per cent; six months 14.50-14.60 per cent; one year 14.50-14.60 per cent.

## MONEY MARKETS

## Base rates down

London clearing bank base lending rate 13 per cent (since March 11)

Interest rates showed little change in London yesterday following a half point cut in clearing banks' base rates to 13 per cent. This was the minimum reduction expected after the Bank of England had reduced its dealing rates on Wednesday. Three-month eligible bank bills were steady around 12½ per cent while six-month interbank money was unchanged at 13 5/16 per cent. One week money was easier at 14¼ per cent however down from 14⅜ per cent. Overnight money opened at 14⅛-14⅜ per cent and rose to 14⅜-14½ per cent before coming back to a low of 13-13¼ per cent during the afternoon. Closing balances were taken at 13½-14 per cent.

Day to day credit was in short supply in the money market yesterday and the Bank of England gave an early forecast of a shortage of £150m. Factors affecting the market included bills maturing in official bands —£282m, offset by Exchequer transactions +£100m and bankers' balances above target +£100m. The Bank gave assistance in the morning by buying £169m of eligible bank bills. In band 1 (up to 14 days) it bought £38m at 13¼ per cent, in band 2 (15-33 days) £42m at 13 per cent, band 3 (34-63 days) £18m at 12⅞ per cent and in band 4 (64-84 days) £71m at 12½ per cent.

The forecast was later revised to £200m before taking into account the morning help and the Bank gave additional assistance in the afternoon of £54m, making a grand total of £223m. The afternoon help comprised purchases of £5m of eligible bank bills in band 1 at 13¼ per cent and in band 2 £11m of eligible bank bills at 13 per cent. In band 3 it bought £3m of Treasury bills, £5m of local authority bills and £5m of eligible bank bills, all at 12⅞ per cent. In band 4 it bought £9m of Treasury bills and £16m of eligible bank bills all at 12½ per cent.

In Stockholm the Bank of Sweden cut its discount rate to 10 per cent from 11 per cent. The reduction was seen as a response to lower interest rates elsewhere in Europe and will provide a welcome shot to the Swedish economy. Other changes included a reduction to 14 per cent from 15 per cent in the permitted average level of bank lending in Swedish crowns while the penal rate charged on commercial banks for borrowing above a certain level remained at 14 per cent.

In Frankfurt call money was quoted at 10.05 per cent unchanged from Wednesday. The Bundesbank's decision to offer a 10-day repurchase facility at 9.5 per cent would possibly have seen rates ease a little but banks are anxious to build up reserves ahead of tax payments due next week. However borrowing under the special Lombard facility, which remained at 10 per cent, fell to DM 1.4bn on Wednesday down from DM 2.1bn on Tuesday.

## GOLD

## Slight fall

Gold fell $2 an ounce from Wednesday's close in the London bullion market yesterday to finish at $330-331. It opened at $333¼-334¼ and touched a low of $329¾-330¾. Trading was generally rather quiet with no new factors affecting the market.

In Paris the 12½ kilo gold bar was fixed at FFr 65,500 per kilo ($336.73 per ounce) in the afternoon, compared with FFr 65,500 ($336.91) in the morning, and FFr 65,200 ($335.11) Wednesday afternoon.

In Frankfurt the 12½ kilo bar was fixed at DM 25,515 per kilo ($336.01 per ounce), against DM 25,435 ($334.97), and closed at $331-332 against $332-333.

In Zurich gold was unchanged at $330-333.

| | Mar. 11 | | Mar. 10 | |
|---|---|---|---|---|
| **Gold Bullion (fine ounce)** | | | | |
| Close | $330-331 | (£182¼-182¾) | $332¼-362¾ | (£183½-184) |
| Opening | $333¼-334¼ | (£184¼-184¾) | $333½-334½ | (£184-184½) |
| Morning fixing | $334 | (£184.561) | $332.76 | (£183.688) |
| Afternoon fixing | $331.75 | (£183.085) | $333 | (£183.907) |
| **Gold Coins** | | | | |
| Krugerrand | $341¼-342¼ | (£189-189½) | $342¼-343¼ | (£189-189½) |
| 1/2 Krugerrand | $175½-176½ | (£97-97¾) | $176-177 | (£97¼-97¾) |
| 1/4 Krugerrand | $90½-91½ | (£49½-50) | $89¾-90¾ | (£49½-50) |
| 1/10 Krugerrand | $36¼-37⅛ | (£20¼-20¾) | $36½-37½ | (£20¼-20¾) |
| Mapleleaf | $342¼-343¼ | (£189½-190) | $342¾-343¾ | (£189¼-189¾) |
| New Sovereigns | $81-81½ | (£44¾-45) | $81½-82 | (£45-45¼) |
| King Sovereigns | $96½-97½ | (£53¼-53¾) | $96-97 | (£53-53½) |
| Victoria Sovs. | $88½-97½ | (£53¼-53¾) | $96-97 | (£53-53½) |
| French 20s | $80-90 | (£44¼-49¾) | $80-90 | (£44¼-49½) |
| 50 pesos Mexico | $407½-410¼ | (223½-227) | $408-411 | (£223¼-227) |
| 100 Cor. Austria | $321¼-323¾ | (£177¾-178¼) | $321¾-324¼ | (£177½-179) |
| $20 Eagles | $474-479 | (£260¼-265) | $475-480 | (£262¼-265) |

### LONDON MONEY RATES

| Mar. 11 1982 | Sterling Certificate of deposit | Interbank | Local Authority deposits | Local Auth. negotiable bonds | Finance House Deposits | Company Deposits | Discount Market Deposits | Treasury Bills ♦ | Eligible Bank Bills ♦ | Fine Trade Bills ♦ |
|---|---|---|---|---|---|---|---|---|---|---|
| Overnight | — | 13-14¾ | 14⅛-14¼ | — | — | 13¾-14 | 12¾-13½ | — | — | — |
| 2 days notice | — | — | 13⅞-14 | — | — | 14¼ | — | — | — | — |
| 7 days or... | — | — | — | — | — | 13⅞ | — | — | — | — |
| 7 days notice | — | 14-14¼ | 13⅞-14 | — | — | — | — | — | — | — |
| One month | 13⅞-13⅞ | 13⅞-13 15/16 | 13⅝ | 14¼-14 | 13½ | — | 13 | — | — | — |
| Two months | 13⅞-13⅞ | 13⅞-13⅞ | — | 14⅛-13⅞ | 13⅝ | 13⅞ | 12¾-13 | 13⅞ | 13⅞ | 13¾ |
| Three months | 13¼-16⅛ | 13¼-13⅞ | 13¼ | 13⅞-13⅝ | 13⅝ | 13¾ | 12⅝-12¾ | 12¾-12⅞ | 12⅞ | 13⅞ |
| Six months | 13⅞-12⅞ | 13¼-13⅜ | 13⅛ | 12¾-12½ | 13⅜ | 13⅜ | 12⅝-12⅛ | 12⅞-12⅛ | 12⅞ | 13⅞ |
| Nine months | 13⅞-12⅞ | 13¼-13⅜ | — | 13⅝-13⅛ | 13⅜ | — | — | — | 12¼ | 12⅞ |
| One year | 13⅞-12⅞ | 13¼-13⅜ | 13⅛ | 13¼-13 | 16⅜ | — | — | — | — | — |
| Two years | — | — | 13⅝ | — | 13⅝ | — | — | — | — | — |

Local authorities and finance houses seven days' notice, others seven days fixed. Long-term local authority mortgage rates nominally three years 13½ per cent; four years 13⅞ per cent; five years 13¾ per cent. ♦Bank bill rates in table are buying rates for prime paper. Buying rates for four-month bank bills 12½-12⅞ per cent; four months trade bills 13⅞ per cent.

Approximate selling rates for one month Treasury bills 12 25/32-12 27/32 per cent; two months 12⅝-12 23/32 per cent; three 12 23/32 per cent and three months 12 23/32 per cent; one month trade bills 13½ per cent; two months 13⅞ per cent; three months 12 21/32 per cent. Approximate selling rate for one month bank bills 12 25/32 per cent; two months 12 23/32.

Finance Houses Base Rates (published by the Finance Houses Association) 15 per cent from March 1 1982. Clearing Bank Deposit Rates for sums at seven days' notice 10-10¼ per cent. Clearing Bank Base Rates for lending 13 per cent. Treasury Bills: Average tender rates of discount 12.4972 per cent.

Certificates of Tax Deposits (Series 5) 13½ per cent from March 8. Deposits withdrawn for cash 11 per cent.

### MONEY RATES

| | |
|---|---|
| **NEW YORK** | |
| Prime rate | 16-16½ |
| Fed. funds (lunch-time) | 14½-14⅝ |
| Treasury bills (13-week) | 12.63 |
| Treasury bills (26-week) | 12.78 |
| **GERMANY** | |
| Special Lombard | 10.00 |
| Overnight rate | 10.05 |
| One month | 10.075 |
| Three months | 9.90 |
| Six months | 9.70 |
| **FRANCE** | |
| Intervention rate | 14.00 |
| Overnight rate | 14.25 |
| One month | 14.1875 |
| Three months | 14.25 |
| Six months | 14.25 |
| **JAPAN** | |
| Discount rate | 5.50 |
| Call (unconditional) | 6.59375 |
| Bill discount (three-month) | 6.53125 |

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## OFFSHORE & OVERSEAS FUNDS

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NOTES

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# WORLD STOCK MARKETS

# Opening Wall St rally fades

AN OPENING fresh rally on Wall Street faded to leave stocks mixed at midday, with later market sentiment dampened by interest rate worries and a weakening Bond market.

Analysts said both Bonds and stocks met pressure from the key Federal Funds Rate, on overnight loans between banks, which was trading at 14¼ per cent compared with an average of 13¾ per cent earlier in the week.

The Dow Jones Industrial Average, after standing 4.47 higher at 10.30 am, was a net 2.47 harder at 807.36 by noon. The NYSE All Common Index was just 5 cents up at $63.09, after touching $63.18, while declines held a slight edge over advances at noon. Trading was fairly heavy, totalling 30.20m shares against Wednesday's mid-day figure of 33.21m.

The Fed Funds Rate often presages movement in the Prime Rate, and its current high level has sparked fears that other interest rates will also rise, analysts said.

Oil stocks, which are trading at or close to record lows, were among the most popular issues, with five of the 10 most active stocks in that group. Blocks of 500,000 shares were traded in both Exxon and Mobil. Exxon was the volume leader, adding ¼ at $29¼, while Mobil came in second place at $22¾, up ¼.

Also active were Halliburton, up ½ to $35; Gulf, ¼ to $29¾, and Pennzoil, off 1⅛ to $34¼. Pennzoil has led for an offering of $150m of Debentures.

International Telephone fell 1¼ to $25¼ in heavy trading. The company has projected a difficult first half, and said it was not likely that its Rayonier division would be sold in the near term.

RCA was down 1¼ to $19¾, also in heavy trading. The stock rose sharply earlier in the week on news that Bendix had bought a stake, but Bendix later said it purchased the 7.3 per cent holding for investment purposes only.

Parsons rose 1⅜ to $24¾, adding to a 2¼ gain on Wednesday, when it announced a three-for-two stock split and higher earnings.

THE AMERICAN SE Market Value Index was off 0.50 at 248.69 at noon. Volume 2.27m shares (2.66m).

**Closing Prices for North America were not available for this edition.**

## Canada

Markets in Canada also slipped back from initially firmer levels to make a mixed showing at mid-session. The Toronto Composite Index was a slight 0.7 easier on balance at 1,574.1 at noon. Golds lost 16.5 at 2,075.2 and Oil and Gas 19.2 at 2,447.4.

## Tokyo

After extending Wednesday's sharp recovery early yesterday, the market retreated, leaving stocks lower for choice on balance.

A number of Blue Chips and some speculative issues recorded notable falls on the day, but Oils picked up well, while Construction companies, still responding to Japanese Government plans to accelerate spending on public works in the first half of fiscal 1982, further strengthened.

The Nikkei-Dow Jones Average, up 97.11 on the previous day, lost 35.57 at 7,253.34. The Tokyo SE Index declined 2.21 to 542.97, while there was a moderate trade of 260m shares (260m).

As the trading day wore on, a weakening yen and prospects of continuing trade friction with the U.S. began eroding investor confidence, and Blue Chips in particular turned downwards.

Hitachi shed Y30 to Y800, Fuji Photo Film Y30 to Y1,290, Matsushita Electric Y30 to Y1,060, Nippon Electric Y20 to Y759, Victor Y90 to Y2,240, Canon Y26 to Y809 and Sony Y30 to Y3,160.

In contrast, Nippon Oil rose Y20 to Y1,080, Teikoku Oil Y14 to Y795, Maruzen Oil Y19 to Y230, Nishimatsu Construction Y10 to Y380 and Maeda Construction Y19 to Y629.

## Hong Kong

The market continued to rally yesterday over a broader front in moderate activity. Sporadic bargain hunting was reported along with short-covering.

The Hang Seng index followed Wednesday's 23-point recovery with a fresh rise of 27.09 to 1,179.78. Combined turnover on the four exchanges amounted to HK$225.41m, compared with HK$146.32m in the short Wednesday session.

The rally was partly technical, although sentiment has been boosted by the recently announced sharply higher profits from Hongkong and Shanghai Banking, a recovery on Wall Street and remarks from John Bremridge, Hong Kong's Financial Secretary, on the Colony's continued importance to China.

The Financial Secretary said in Peking that he is certain China wants to maintain Hong Kong's prosperity for a long time, and that China sees the Colony as a tertiary base in its offshore oil programme.

## Germany

Shares turned easier at the outset, but the market partially recovered later as fresh selected buying emerged.

Metallgesellschaft featured with a fall of DM 9 to DM 246 after announcing on Wednesday that it will cut its dividend.

In Steels, Hoesch gained DM 1.10 to DM 27.30, but Thyssen lost DM 1.10 to DM 85.80.

Most Engineerings were weak, with GHH down DM 3.20 at DM 195, KHD DM 2.40 at DM 182.10, and Deutsche Babcock DM 2.50 at DM 210. Mannesmann, however, gained 60 pfennigs more to DM 144.60 on hopes that U.S. opposition to the Siberian gas pipeline will ease.

## Amsterdam

Bourse prices were mainly lower, with dealers citing concern over disagreements in the Dutch Cabinet and sporadic strikes in the Netherlands as factors causing some nervousness.

KLM fell Fl 3.80 to Fl 104.00, but Royal Dutch, boosted by the 1981 results, moved ahead Fl 3.80 to Fl 76.20.

## Australia

A small influx of bargain hunters into leading Resource issues produced a mild technical rally despite expectations of tight liquidity in the June quarter.

The Australian All Ordinaries index picked up 1.8 from Wednesday's 26-month low to close at 457.4. Oil and Gas regained 3.1 at 373.3 and Metals and Minerals 2.3 to 324.7. Industrials retained an easier bias, however, shedding 1.7 to 610.0 on index.

Analysts said increases of more than one percentage point in yields at Wednesday's Treasury Note tender had put pressure on the banks to raise their Prime Rates. This thwarted any chance of a recovery in Industrial share prices since that sector's borrowing needs are high.

Banks, however, tended to retrieve some of their recently lost ground, ANZ firming 6 cents to A$3.62 and Bank NS Wales 5 cents to A$2.58.

Overall market leader BHP, A$7.46, and CSR, A$2.85, rebounded around 15 cents apiece. Both have substantial resources interests.

Gold Mining issues were helped by the rallying Bullion price, Poseidon, A$1.35, Central Norseman, A$3.00, and Peko-Wallsend, A$4.85, hardening 5 cents apiece.

Elsewhere in Minings, Western Mining rose 12 cents to A$3.50 and CRA 5 cents to A$2.60.

## Johannesburg

The market generally improved in fairly active trading, with most sectors following the Gold shares board, which recouped further ground in reflection of the recent upturn in the Bullion price. President Brand gained R1.75 at R38.75 and Driefontein R2.50 at R25.25.

## NEW YORK ACTIVE STOCKS

| Wednesday | Stocks traded | Closing price | Change on day |
|---|---|---|---|
| Exxon | 1,471,300 | 28⅞ | + ¼ |
| RCA | 1,266,500 | 20⅝ | + ½ |
| Marathon Oil | 936,900 | 79⅝ | + ⅞ |
| Mobil | 760,000 | 22⅝ | + ⅛ |
| Transamerica | 724,100 | 20 | + ⅛ |
| Tandy | 661,400 | 28 | — |
| Sears Roebuck | 595,400 | 18½ | + ⅛ |
| IBM | 587,400 | 59 | + ⅜ |
| Am. Airlines | 559,100 | 13 | − ¾ |
| Texas Intl. | 561,200 | 12⅝ | +1 |

(**) Sat. Mar. 6: Japan Dow 7247.85. TSE 540.83.

Base values of all indices are 100 except Australia All Ordinary and Metals—500; NYSE All Common—50; Standard and Poors—10; and Toronto—1,000; the last named based on 1975. † Excluding bonds. ‡ 400 Industrials. § 400 Industrials plus 40 Utilities, 40 Financials and 20 Transports. c Closed. u Unavailable.

Turnover: Cr.2,173.8m.
Volume: 293.1m.
Source: Rio de Janeiro SE.

NOTES—Prices on this page are as quoted on the individual exchanges and are last traded prices. § Dealings suspended. xd Ex dividend. xc Ex scrip issue. xr Ex rights.

# THE PROPERTY MARKET

BY MICHAEL CASSELL

## Decision near on Crown Agents' sale

THE CROWN AGENTS are considering a bid from the Australian Mutual Provident Society for their Australian property portfolio.

The bid was confirmed yesterday by the Crown Agents although, in Sydney, Australian Mutual was refusing to comment on the presence in London of Mr Bill Cairns, their investment manager or to indicate whether or not a bid had been made. The offer is thought to be worth over A$300m (£176m).

The deadline for offers for the portfolio, which involves 10 properties producing a combined annual income approaching A$20m (£11.7m), passed a few days ago and the bids are now being discussed by the Crown Agents, the Government and advisers Jones Lang Wootton.

A spokesman for the Crown Agents said yesterday that no decision on any bid had yet been taken. At this stage, no-one is giving much away although Mr Leonard Barr-Smith, of JLW, said that it was hoped some announcement could be made within the next week or so.

He added "All the offers have been delivered to London and now it is just a matter of discussing and evaluating them with the parties involved."

Mr Barr-Smith said that offers had been made both for individual properties and for the entire portfolio and that no bids had come from the UK. The sale represents one of the biggest offerings on the international property scene for some time and the Crown Estate has said the portfolio's market value is around A$400m (£235m).

### Booming

The Agent's decision to sell comes at a time when the Australian commercial property market is booming and they have the first chance to get out without making a loss.

The buildings are held by Abbey Capital Holdings, a Crown Agents subsidiary which was set up to sort out the problems left in the wake of the Agents' adventure into property and secondary banking during the late 1960s and early 1970s. The affair resulted in considerable embarrassment and losses of over £200m.

The 10 properties are in Sydney, Melbourne and Wollongong and together comprise nearly 135,000 sq m of office space as well as retail space and a major hotel. On present market values, they yield just under 5 per cent but if all leases were at current market rates the yield would be about 7 per cent. Most leases are due for renegotiation this year and next.

## IBA changes—fight continues

CLOSER examination of the Chancellor's budget proposals to extend industrial building allowances has toned down some of the industrial property market's initial enthusiasm for Tuesday's measures.

Interest surfaced when Sir Geoffrey first proposed changes to the nursery units scheme, brought in two years ago, under which a 100 per cent IBA could be claimed for work-shops of up to 2,500 sq ft for the three years to March, 1983.

This is to be extended for two years, but only at the lower end of the range—for units of not more than 1,250 sq ft. The supporting Treasury argument on Budget night was that there was an "identifiable shortage" at this end of the market.

While Sir Geoffrey accentuated the positive, claiming the scheme, with over 5,000 units already built, had been a "resounding success," the Treasury said the Department of Industry had indicated most of these units had been built at the top end of a limited size range.

At this stage there were polite murmurs from the property industry, but hats were not exactly being thrown in the air. The scheme may have got the units built, costing the Exchequer £125m to £150m in the process, but the strict interpretation of what is "industrial" has meant that lettings have come nowhere near matching available floorspace.

Tony Grant, of Grant and Partners, has been pointing out for some time that 65 to 70 per cent of potential tenants for nursery units have had to be turned away since, as non-industrial users, they do not qualify under the IBA scheme. Confessing himself a little surprised at the implied scale of 10m to 12½m sq ft of nursery units already built, Mr Grant estimated that up to 60 per cent of the units within his ambit were still vacant.

Enthusiasm followed, therefore, on the news of an extension of the IBA to "certain kinds of servicing, repairing and warehousing activities"—especially when it was realised that the extension would apply not only to nursery units, but also to bigger industrial units for which the "blanket IBA" was raised from 50 to 75 per cent one year ago.

### Exhorted

Developers like Slough Estates, exhorted by government to build more advance factories (at their own risk) ahead of industrial recovery, have been lobbying for greater flexibility of use for some time.

Wallace Mackenzie, managing director of Slough Estates, was among those calling for the go-ahead to let buildings to either Class 3, 4 or 10 users—3 and 4 covering most light industrial premises with class 10 for warehouses.

At first, the British Property Federation, representing Slough and its corporate contemporaries, made suitably appreciative post-Budget noises. Tony Grant, meanwhile, was tickled pink at what looked like the successful conclusion of a political campaign set in motion last November, and helped along by the enlistment of John Heddle, MP, in the Commons and Lord Caithness in the Upper House.

Disillusion set in, however, when they came to consider the form of words used by the Chancellor and the actual interpretation placed upon them by the Inland Revenue.

The widened definition of an industrial building for IBA purposes will include:

- Buildings used for repairing and servicing goods (except where those activities are merely a subordinate part of, or incidental to, a wider non-industrial business); and
- Buildings used for warehousing and store by traders and wholesalers, where the goods involved are to be used for an industrial process. (Storage for retailing purposes will not be included.)

Tony Grant's reaction was that it did little to widen the classification beyond what was already accepted. The Inland Revenue reckoned that it was tidying up inconsistencies in existing legislation, rather than making substantial new concessions. And Wallace Mackenzie saw the whole thing remaining distinctly untidy.

It is unlikely, however, that matters will be allowed to rest there. Tony Grant points out that the Finance Bill can be amended, and is clearly prepared to push for just that.

Similarly, Wallace Mackenzie thinks that now is the best time to react. "It was right to broaden the definition," he says, "and it is questionable whether this has gone far enough."

WILLIAM COCHRANE

## Birmingham office plan

PROPOSALS TO develop a 110,000 sq ft net office tower in the centre of Birmingham have been submitted by Nesco, the investment company which took over Colmore Depot, the Midlands-based garage group.

The plans involve a 17-storey building on a site adjacent to the Albany Hotel and behind New Street Station, formerly the headquarters and showroom complex for the garage chain. Nesco, which is being advised by Machurst, says redevelopment should take about 20 months and no tenant is yet lined up for the space.

- Acting on behalf of Duracell (UK), Peter Taylor has negotiated the acquisition and funding of a £2.4m office and warehouse project at Lowfield Heath, near Gatwick airport. The deal involves the construction of a new 16,500 sq ft office building and a 15,000 sq ft extension to an existing 31,000 sq ft warehouse. Finance for the project is being provided by the Sun Alliance. Greencoat Properties are undertaking project management.

- Leigh Developments has been selected by Northampton Borough Council to carry out a 30,000 sq ft office development at the junction of Newland and Lady's Lane in central Northampton. Leigh was advised by Berry Brothers, the letting agents.

## Big upsurge in office availability

FALLING demand and the increasing availability of new and existing buildings to let produced a big upsurge in the volume of office floorspace placed on the market during the second half of 1981.

The latest survey of office market activity conducted by Hillier Parker May and Rowden confirms the growing impact of the recession on the letting scene and suggests the big increase in available floorspace was largely the result of occupiers relinquishing space.

Pressures on operating costs have continued to push office users into rationalising accommodation and the survey—which only includes buildings over 20,000 sq ft net—shows that, during the second half of 1981, nearly 4m sq ft of existing office space was put on the market compared to 1.8m sq ft in the first six months.

At the same time, the amount of new development space becoming available rose from 2.1m sq ft to 2.8m sq ft, making a combined, second half floorspace availability total of about 6.8m sq ft. Together with the first half figures, Hillier Parker estimates that 10.7m sq ft of office space was placed on the market in 1981 as a whole.

The survey also shows that while space was rising, the lettings market was continuing to turn down in the second half. The estimates suggest that 3m sq ft was let to tenants between July and December against 3.5m sq ft in the first half. Within that total, however, the amount of new development space let rose from just under 1m sq ft to about 1½m sq ft.

In central London, 2.4m sq ft of existing and new office space was put on the market between July and December while 1.1m sq ft found tenants. The amount of new floorspace let nearly matched the new space placed on the market.

New figures produced this week by Jones Lang Wootton help complete the current office supply pipeline picture for central London, which has an estimated total office stock of about 200m sq ft gross.

Jones Lang says that about 11m sq ft of floorspace is under construction, with 4.5m sq ft of that figure in the City itself. There is another 2.7m sq ft in Westminster. It accepts that the current wave of development in the centre of the capital is greater in volume and duration than in the mid-70s boom, although it does not believe the level of activity is necessarily excessive when set against the total stock.

Estimated office completions in 1981-83 are put at 13m sq ft, representing slightly over 2 per cent of stock and Jones Lang points out that, allowing for demolitions, the net addition between 1981-83 is 8m sq ft or 1.3 per cent a year.

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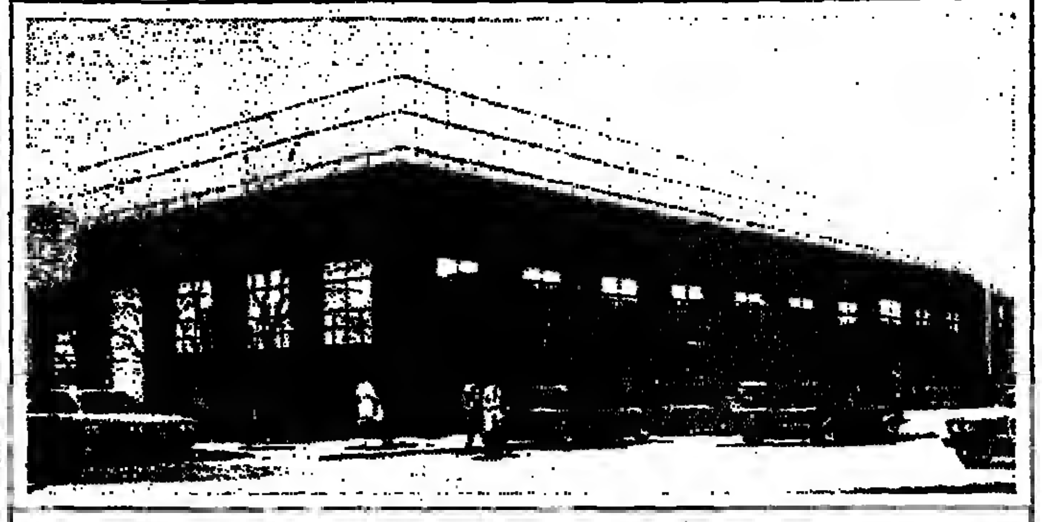

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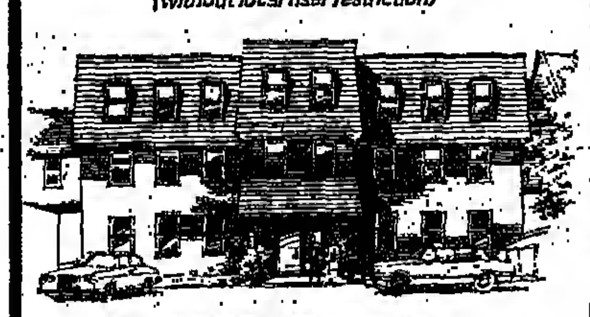

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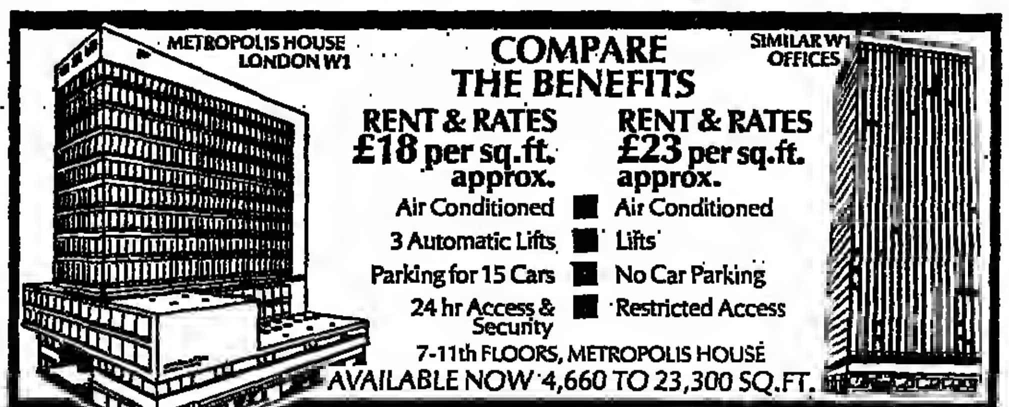

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Friday 12 March 1982

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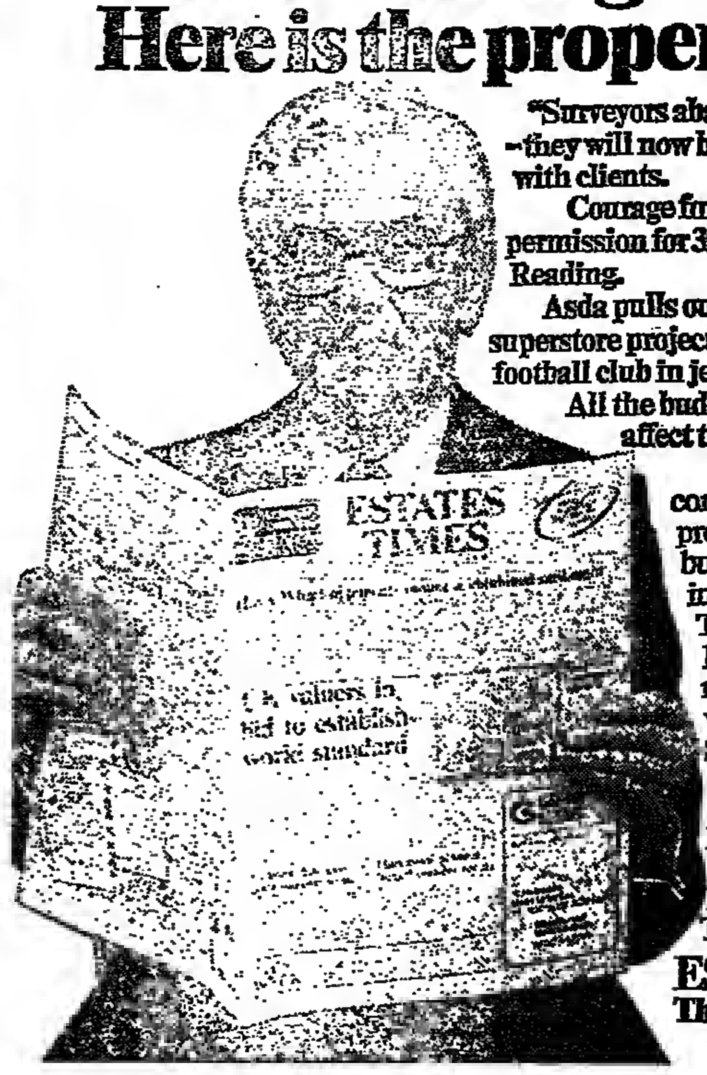


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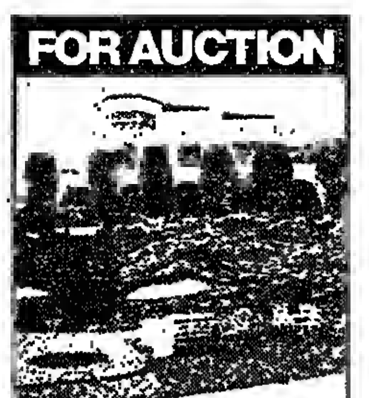

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## COMPANY NOTICES

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A Member of the Barlow Rand Group

DIVIDEND DECLARATION

NOTICE IS HEREBY GIVEN that Dividend No. 51 of 90 cents per share has been declared in South African currency, as a final dividend in respect of the year ending 30th June, 1982, payable to members registered in the books of the company at the close of business on 26th March, 1982. The register of members will be closed from 27th March to 4th April, 1982, inclusive, and dividend warrants will be posted on or about 6th May, 1982.

The rate of exchange at which the dividend will be converted into United Kingdom currency for payment by The United Kingdom Registrars and Transfer Agents will be the telegraphic transfer rate of exchange between Johannesburg and London ruling on the first business day after 27th March, 1982 on which foreign currency dealings are transacted.

Where applicable South African non-resident shareholders' tax at 15% will be deducted from the dividend.

The full conditions of payment of this dividend may be inspected at or obtained from the offices of the company in Johannesburg or in London.

By Order of the Board,
RAND MINES, LIMITED
Secretaries
per: A. H. KNOESEN.

Registered Office:
15th Floor, 63 Fox Street,
Johannesburg 2001
(P.O. Box 62370, Marshalltown, 2107).
United Kingdom Registrars and Transfer Agents:
Charter Consolidated P.L.C.,
P.O. Box 102, Charter House,
Park Street, Ashford,
Kent, TN24 8EQ.
Office in the United Kingdom:
Charter Consolidated P.L.C.,
40 Holborn Viaduct,
London EC1P 1AJ.
10th March, 1982.

**TDK ELECTRONICS CO., LTD. (CDRs)**

The undersigned announces that as from 19th March 1982 at Kas-Associatie N.V., Spuistraat 172, Amsterdam, Div. Cp. No. 14 (accompanied by an "Affidavit") of the CDRs TDK ELECTRONICS CO., LTD., each repr. 100 and 1,000 shs, will be payable with Dfls. 13.90 net per CDR, repr. 100 shs and with Dfls. 139.— net per CDR, repr. 1,000 shs. (div. per record-date 30.11.1981; gross Yen 15.— p.sh.) after deduction of 15% Japanese tax = Yen 225.— = Dfls. 2.48 per CDR, repr. 100 shs, Yen 2,250.— = Dfls. 24.80 per CDR, repr. 1,000 shs. Without an Affidavit 20% Japanese tax = Yen 300.— = Dfls. 3.31 per CDR, repr. 100 shs, Yen 3,000.— = Dfls. 33.10 per CDR, repr. 1,000 shs, will be deducted.
After 30.6.1982 the div. will only be paid under deduction of 20% Japanese tax with Dfls. 13.07 net per CDR, repr. 100 shs. and with Dfls. 130.70 net per CDR, repr. 1,000 shs., in accordance with the Japanese tax regulations.
Amsterdam, 5th March 1982
AMSTERDAM DEPOSITARY COMPANY N.V.

NOTICE TO HOLDERS OF EUROPEAN DEPOSITARY RECEIPTS (EDRs) IN YAMAICHI SECURITIES CO. LTD.

We are pleased to confirm that copies of the Annual Report for the year ended September 30, 1981 of Yamaichi Securities Co. Ltd. are now available to EDR holders, upon application, at the offices of the Depositary, Citibank, N.A., 336 Strand, London WC2R 1HB, and the Agent, Citibank (Luxembourg) S.A., 16 Avenue Marie Therese, Luxembourg.
CITIBANK, N.A., LONDON, Depositary.
March 11, 1982.

**BARLOW RAND LIMITED**
(Incorporated in the Republic of South Africa)

PREFERENCE DIVIDEND NO. 92

NOTICE IS HEREBY GIVEN that a preference dividend at the rate of 6% per annum for the half year ending 31 March 1982 (amounting to six cents per preference share) has been declared payable to all preference shareholders registered at the close of business on 2 April 1982.

The transfer books and register of preference shareholders will be closed from 3 to 9 April 1982, both days inclusive. Dividend warrants will be posted to shareholders on or about 29 April 1982.

In terms of the South African Income Tax Act, 1962, as amended, a non-resident shareholder's tax has been imposed at the rate of 14.68% on dividends payable to shareholders whose addresses in the preference shareholders' register are outside the Republic.

By Order of the Board,
K. A. BAGG,
Secretary.
12 March 1982

Business address and registered office:
Barlow Park,
Katherine Street,
Sandton, 2196
South Africa.
Transfer Secretaries:
Rand Registrars Ltd.,
P.O. Box 31719,
Braamfontein, 2017,
South Africa.

NOTICE TO HOLDERS OF EUROPEAN DEPOSITARY RECEIPTS (EDRs) IN MURATA MANUFACTURING CO., LTD.

NOTICE IS HEREBY GIVEN that pending payment of a cash dividend to holders of record date March 20, 1982, the shareholders' register will be closed for the period March 21, 1982 until the close of the General Meeting of Shareholders expected to be held at the end of June, 1982 and during this period it will not be possible to register the transfer of shares against the surrender of EDRs. Furthermore, it has been declared that the shares will be traded ex-dividend on the Japanese Stock Exchanges with effect from March 16, 1982.

Subject to approval of the dividend a further notice will be published stating the amount and actual date of payment of such dividend together with the procedure to be followed for obtaining payment thereof as soon as practicable after receipt of the dividend by the Depositary.

Coupon No. 2 will be used for collection of this dividend.

CITIBANK, N.A., London, Depositary.
March 12, 1982.

EUROPEAN DEPOSITARY RECEIPTS (EDRs) IN NIPPON FIRE & MARINE INSURANCE CO., LTD.

NOTICE IS HEREBY GIVEN that pending payment of a cash dividend to holders of record date March 31, 1982, the shareholders' register will be closed for the period April 1, 1982 until the latter part of July and during this period it will not be possible to register the transfer of shares against the surrender of EDRs.

Furthermore, it has been declared that the shares will be traded ex-dividend on the Japanese Stock Exchanges with effect from March 27, 1982.

Subject to approval of the dividend, a further notice will be published stating the amount and actual date of payment of such dividend together with the procedure to be followed for obtaining payment thereof as soon as practicable after receipt of the dividend by the Depositary.

Coupon No. 5 will be used for collection of this dividend.

CITIBANK, N.A., London, Depositary.
March 12, 1982.

**SWISS BANK CORPORATION**

NOTICE IS HEREBY GIVEN that the 110th Annual General Meeting will be held [illegible]

[illegible]

2nd March, 1982.

**RHONE-POULENC 7.50% 1972/1987**
LOAN OF FF100,000,000

We inform the bondholders that the April 15, 1982 redemption instalment of FF 5,000,000 has been made by purchase on the market.
Amount outstanding: FF 65,000,000.00
The Principal Paying Agent:
SOCIETE GENERALE ALSACIENNE DE BANQUE
Succursale de Luxembourg

**THE "SHELL" TRANSPORT AND TRADING COMPANY, P.L.C.**

NOTICE IS HEREBY GIVEN [illegible]

11th March, 1982.

**OIL COMPANY OF AUSTRALIA N.L.**

The Annual Report and Accounts were despatched to shareholders on 17th February, 1982. Copies of the Report and Accounts are available at:
Morgan Grenfell and Co. Limited,
23 Great Winchester St., London EC2.
Please contact Mr G. F. Dyer.

**CANADIAN PACIFIC LIMITED**
(Incorporated in Canada)

DIVIDEND NOTICE

At a Meeting of the Board of Directors held today, a quarterly dividend of forty-seven point five cents (47.5c) per share on the outstanding Ordinary Capital Stock of the Company was declared, payable in Canadian funds on April 28 1982, to shareholders of record as at the close of business on March 29 1982.

By Order of the Board,
J. C. AMES,
Vice-President & Secretary.
Montreal,
March 8 1982.

**GESTETNER HOLDINGS B.V.**

£10,000,000 5½% STERLING FOREIGN CURRENCY BONDS 1988

Gestetner Holdings B.V. announces that for the redemption period ending on 15th May 1982 it has purchased bonds of the above loan for £529,000 nominal capital for cancellation.

The nominal amount of the loan remaining outstanding after 15th May 1982 will be £8,471,900.

N. M. ROTHSCHILD & SONS LIMITED
Principal Paying Agent.
New Court,
St. Swithin's Lane,
London EC4P 4DU.
Friday, 12th March 1982.

## PUBLIC NOTICES

BIRMINGHAM COUNCIL BILLS
£12.25m 91-day Bills issued 11th March, 1982 to mature 10th June, 1982. Applications totalled £66m. Minimum accepted price £96.92. Average rate of discount 12.35%. Total Bills outstanding £37.25m.

GREATER LONDON BILLS
£25m Bills issued 11.3.82 maturing 10.6.82 @ 12.3599%. Total applications £115m. Bills outstanding £60m.

OXFORDSHIRE COUNTY COUNCIL BILLS
£16 million due 9th June 1982 issued 10th March 1982. Average 12¼%. £76 million applications. Bills outstanding £16 million.

BERKSHIRE COUNTY COUNCIL BILLS
£17m due 10.6.82 issued 11.3.82. Average £96.92. £92m applications. £27m outstanding.

## LECTURES

GRESHAM LECTURES in Geometry Gauss, Maps and Surface Geometry by Professor C. W. Kilmister. One-hour lectures at The City University Northampton Square, London, EC1, at 6.00 pm, March 15th, 22nd. Admission free.

## ART GALLERIES

ALLANS—London's only Gallery entirely devoted to textile art. Hand embroidered silk pictures for giving and collecting from £2.00 to £2,000. New acquisitions are Japanese obis and richly embroidered antique silk scrolls. On the lower ground floor of Allans Famous Silk Shop, 56/58, Duke Street, Grosvenor Square/Oxford Street, W1. Mon.-Fri. 9-6. Sat. 9-1.

BROWSE & DARBY, 19, Cork St., W1. 734 7984. T. BEHRENS — Recent Paintings.

CRANE KALMAN GALLERY, 178, Brompton Rd., SW3. 584 7566. 34 Major Paintings by L. S. Lowry (1887-1976). Ends 8 April. Daily 10-6, Sats. 10-4.

BURY STREET GALLERY, 11, Bury Street, SW1. 930 2902. "The Soots." 10-5, Mon.-Fri.

BLOND FINE ART, 33, Sackville St., W1. 437 1230. MAX BLOND—Recent Paintings. Until 20 March.

DRIAN GALLERIES, 7, Porchester Place, W2. 723 9473. PAINTINGS BY JON ATACK. Till 15th March. Daily 10-5. Sat. 10-1.

LUMLEY CAZALET, 24, Davies St., W1. 499 506. LEE STRASBURGER—Drawings; MARTIN WARE—Etchings and Aquatints; MICHAEL FAIRCLOUGH—Aquatints. Until 19 March.

MATHAF GALLERY, 32, Motcomb Street, London, SW1. Tel: 235 0010. Specialists in 19th Century and Contemporary Paintings of Arabia.

RICHMOND GALLERY, 8, Cork Street, London, W1. An exhibition of paintings by GASTON DOMERGUE, 1855-1927. Mon.-Fri. 10-6. Sat. 10-1. 01-437 0264.

## EXHIBITIONS

THE BURLINGTON HOUSE FAIR, Royal Academy of Arts, Piccadilly, London, W1. 12-21 March, 19 am-7 pm. Admission £2.50, Students and Pensioners £1.50, including illustrated handbook.

## PERSONAL

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# COMMODITIES AND AGRICULTURE

## Budget aids glasshouse growers

By Our Commodities Staff

UK GLASSHOUSE growers considering switching to cheaper coal-fired heating were given a significant extra incentive by a change made in the Budget.

The Chancellor of the Exchequer announced that the qualifying threshold for a scheme to assist with the cost of changing to coal-fired heating had been reduced from £25,000 to £15,000. The scheme offers aid of up to 25 per cent towards modification costs.

Mr Peter Walker, the Minister of Agriculture, commented yesterday: "I welcome this extension to the scheme which will make it much more attractive to the horticultural industry and will make many more growers eligible for aid."

The National Farmers' Union also welcomed the change, which it said would enable many more medium-sized growers to benefit.

The union estimates that fuel represents about 40 per cent of the glasshouse industry's costs and believes that for most growers coal-firing would be cheaper than oil or gas.

In general farmers were disappointed with the Budget, Mr Christopher Righton, deputy president of the NFU said yesterday. The cut in the national insurance surcharge would help, he said, but most of this improvement was lost on increased petrol and derv prices.

## Brazil plans surplus sisal auction

RIO DE JANEIRO—The Brazilian Agriculture Ministry is to hold an auction next week of 15,000 tonnes of stockpiled sisal made available for export, president of the Bahia Sisal Chamber, Ednardo Araujo Mateus, said.

Sales of up to 8,500 tonnes are being negotiated for Poland, 2,500 for the Soviet Union and a small quantity for Western Europe, he said.

But Brazil exporters are finding it impossible to be competitive on the world market, since the internal domestic support price for growers is over $500 a tonne against world price levels of around $450.

As a result it is estimated surplus stocks held in Brazil have grown to over 120,000 tonnes. The disposal of 15,000 tonnes, by auction, is therefore unlikely to disrupt the market, especially as most of the sisal is believed to have already been sold forward.

## Super levy on Community dairy surplus urged

BY LARRY KLINGER IN BRUSSELS

A PROPOSAL for a "super levy" to curb the growth in the EEC's costly dairy surpluses is to go before the European Parliament's agriculture committee next week.

In a resolution drafted by Mr David Curry, Conservative MEP for Essex North East, the committee will also be urged to vote for the abolition of the EEC's hotly debated 2.5 per cent tax on dairy production and a reduction in the proposed guaranteed price rise for milk producers from 9 to 7.5 per cent.

The draft resolution is broadly in sympathy with the European Commission's current proposals for an average 9 per cent price increase for farm products. Pressure to include a higher figure in the final resolution is likely to emerge when the committee meets.

There is growing pressure from the EEC's 8.7m farmers for a general increase of around 16 per cent, which it is claimed is necessary simply to stem the continuing decline in real incomes.

Meanwhile, the draft resolution concentrates instead on ruling up in detail the Commission's proposals, not least in the controversial dairy sector, which still accounts for around a third of all EEC agriculture spending.

It says that the flat-rate levy simply lowers producer prices without stimulating consumption and does nothing to alleviate the plight of the hard-pressed small farmer.

In addition to eliminating the across-the-board levy and reducing the Commission's proposed price rise, the Curry draft seeks to place a "super-levy" on further surplus output. This would reduce the guaranteed price from April 1983 by 1 per cent for every 1 per cent rise in output, to a limit of 3 per cent, above the "allowable" 0.5 per cent production growth in 1982.

For economically depressed small farmers, the Curry draft calls for a doubling of the Commission's recently proposed £67m special aid measures, suggesting that, contrary to normal EEC practice, half of the cost of the expanded scheme might be borne by the member-states themselves.

These special aids would apply to full-time farmers who obtain at least two-thirds of their revenue from dairy produce but who have a herd significantly below the EEC average.

In cereals, the other main contentious area of surplus production, the draft resolution supports the Commission's proposed production limits which if exceeded would trigger a reduction in guaranteed prices. It also accepts the Commission's principle of reducing the difference between the price of common wheat of minimum quality and the common intervention price for feed grains.

The committee's final resolution is scheduled to go before Parliament in a fortnight's time, just ahead of the EEC summit meeting and the Council of Agriculture Ministers meeting called to set 1982-83 farm prices.

## U.S. agricultural options plan

BY GREG SHOSARSKI IN CHICAGO

CONGRESS MAY be asked to lift its ban of options trading in agricultural products, originally imposed in 1936.

The U.S. Department of Agriculture has recommended the idea and the American Farms Bureau Federation, which represents farmers, is also happy with it.

One reason why the USDA is in favour of the scheme is that options would provide a privately financed supplement to the Government financed farm programmes for supporting prices.

By giving the farmer the opportunity (option) to sell his grain at a given price (striking price) in return for a fixed payment (premium) option trading could in effect offer price insurance.

The difficulty is that options have had a bad name in the U.S., following a series of abuses over the years by dishonest merchants.

However, the Commodity Futures Trading Commission has already authorised a pilot programme allowing each exchange in the U.S. one options contract to perfect their control. But it would require legislation for agricultural option trading to be permitted.

Reuter reported from Washington that record crops of wheat, coarse grain and rice are expected to boost world grain production to an all-time peak of 1,632m tonnes in 1981-1982, according to latest estimates from the U.S. Department of Agriculture.

Coarse grain output is put at 770m tonnes, 6 per cent up a year ago; wheat at 453m tonnes, 3 per cent higher; and rice at 410m tonnes, 3.5 per cent up. World oilseed production is forecast to rise by nearly 8 per cent to 171.9m tonnes. The USDA maintained its Soviet grain harvest figure at 175m tonnes, but said the 1982 winter wheat crop is developing without any big problems.

The Department said private exporters reported the sale of a further 100,000 tonnes of U.S. maize to Russia. The USSR has now bought 12.806m tonnes of U.S. grain for shipment in the current agreement year, ending September 30.

## Salmon supply boost seen

FISH FARMS are expected to become the main source of supply for salmon in the UK market over the next few years, according to the newly-formed Scottish Salmon Producers' Association.

Members of the Association are aiming to increase production by 20 to 30 per cent a year. As a result relative prices are expected to fall and this, together with all-year-round availability, should result in a dramatic increase in demand, the Association said yesterday. Within the next four years Scottish salmon sales are projected to reach four times their present level.

The SSPA is mounting a generic public relations campaign funded by a production levy on members.

## New tactics shake tin market

By John Edwards, Commodities Editor

A SUDDEN change of tactics by the buffer stock of the International Tin Council took traders by surprise and caused further confusion on the London tin market yesterday.

After prices had been forced to new seven-month lows in the morning, strong buying support suddenly came into the normally quiet high-grade contract and prices shot up in heavy trading.

As a result the three months quotation for high-grade tin, which is usually at the same price as standard tin, closed £104.5 higher at £7,049.5 a tonne and gained a further £100 in late kerb dealings. Standard grade three months tin closed only £2.5 up at £6,947.5 after touching a low of £6,760 in the morning.

Turnover in high grade tin shot up to an unprecedented total of 8,680 tonnes, including 7,000 tonnes in the afternoon "rings." Turnover on the standard grade market was just over 1,000 tonnes.

The ploy by the buffer stock in switching buying support to the high-grade contract initially caught sellers on the hop, but in later trading very heavy buying was needed to keep prices rising against sales, believed to be on behalf of the mystery group which previously pushed up prices.

Reuter reported Mr Pieter de Koning, manager of the International Tin Council buffer stock, as claiming it could easily absorb the liquidation of tin stocks built up by the mystery group in the eight months from last July.

Mr de Koning estimated that following heavy sales the group had probably sold up to 20,000 tonnes of tin, mainly for forward delivery. This compared with estimated physical tin holdings of around 35,000 tonnes before the recent heavy selling.

He said the buffer stock could absorb these quantities by utilising bank borrowing facilities. Theoretically banks could provide finance for over 100,000 tonnes of tin once members had made all the outstanding contributions called up at the Tin Council meeting this week, Mr de Koning added.

FARMER'S VIEWPOINT

## Frustrations of spring

THIS HAS been a most frustrating spring, or should I say extension of a rather nasty winter. The last few days of January were quite benign, with mild weather and some sunshine. The land dried up and raised my hopes of some early sowing. But during the past four weeks it has either rained or frozen every night, which has made my landwork impossible.

This is because my soil has an element of clay in it, and the last thing to do with such material is to stir it about when wet. Even passing over it with tractors makes a mess as it sticks to the wheels. The effect of the frost is almost as bad as rain, once it thaws it leaves the land very sticky on the surface, and by the time it has dried out, late in the day, the next wet front or the next frost is already there.

This is particularly galling as within a few miles, even within sight, there are areas of lighter land where farmers are able to put their machines to work. They are far further ahead than I am, having been able to sow spring corn, and put nitrogen on their growing crops.

In point of fact these are early days to be worrying. The ideal time for sowing barley is supposed to be midday on March 15, and I have had successful crops with sowing dates as diverse as January 6 and April 20.

Last year much of my land was sown in February and by April I had had to plough up 10 per cent because it had become swamped by the heavy March rains. There is usually a break in the weather when land work can proceed, but one can never be certain that the ultimate disaster won't occur and this weather lasts until the summer. I don't intend to miss any opportunity.

However, in spite of the generally unpromising environment the autumn sown crops have come through very well so far. The wheat looks particularly well, except where it became water-logged, and so does some of the winter barley. Where mine is damaged, the blame can be fairly laid against the rooks.

These descended in their thousands on one or two patches of winter barley last autumn and pulled out the new shoots that were just emerging so that they could get at the seeds. They quite literally decimated some parts of the field. Unlike previous years there was little trouble with slugs, which have been a pest in other parts of the country.

It is possible to keep rooks away by shooting at them and letting off bird scarers. But the new generations of these birds seem to work in enormous flocks saturating their targets and moving on to some other crops within a very short time. Why they have suddenly restarted their damage after leaving us alone for about 25 years I don't know.

Their numbers could well have risen. The old method of control was to shoot the growing chicks as they left the nests. Rook shooting parties used to be held and rook pie was considered a delicacy, but not by me. There are certainly too many around these days.

The really serious casualty has been a crop of winter oats which appeared to come through the frost quite well, but then seemed to lose a number of plants during the mild weather afterwards. I pulled some of them up and they appeared to have been gnawed off by some pest although none could be found. I sent off samples and the experts said that the cause had been what is called frost heave, that is the plant had been stretched by the expansion of the soil during the very hard frosts. This has apparently been general with oats this last few months, and caused a lot of farmers to plough their oats up for resowing.

The crop has recovered to some extent, that is there are enough plants to provide a harvest should all go well. I shall probably take no steps to replant the field for a while.

I had hoped to put some nitrogen on those more backward crops by the end of February, but the only one where I was able to do this hasn't shown much benefit from it yet.

There are several schools of thought about applying nitrogen, some claiming split dressings over a couple of months, others plumping for applying the lot in April. This advice comes from the advisory service ADAS and is the one I intend to follow. I have no option this time.

I did put nitrogen on most of my pastures and there are signs that it has been working. I have certainly got plenty of grass for my ewes that have just lambed. They are performing very well so far, with plenty of strong lambs and the ewes themselves have got enough milk.

In spite of the weather they have come through the winter very well indeed. They had been on very good keep until the snow came, and then heavily fed with hay and a compound feed since then. It is nice to be able to report something that is working fairly well so far.

**John Cherrington**

## Rescue hope for Danish farmers

BY HILARY BARNES IN COPENHAGEN

DENMARK'S social democratic government and farmer's organisations appear to be moving towards agreement on measures which can save some of the 15,000 farms which are under threat of bankruptcy as a result of massive financial costs of their mortgage and other debts.

After a debate of agricultural policy in the Folketing (Parliament) on Wednesday, however, it also became clear that the government will not find anything like the Kr 6bn a year which the agricultural organisations believe is necessary to save the farmers from going bust.

The farmers say that up to 20,000 farms, representing over a third of the farms which are worked on a full time basis, are threatened over the next two or three years.

Minister of Agriculture Bjoern Westh promised to extend current provisions for postponement of mortgage payments against state credit guarantees and said he would give sympathetic consideration to a proposal to establish a land bank to provide loans on favourable terms to the farmers against receiving a share of the capital gain in the value of the farms.

He said that the farmers must not benefit from a capitalisation gain resulting from government support measures.

Mr Westh rejected demands from the farmers for a series of tax concessions and said that it would be much too expensive for the government to allow the farmers to convert their debts to foreign currency loans carrying a government guarantee against exchange rate changes.

# BRITISH COMMODITY MARKETS

## BASE METALS

HEAVY BUYING of three months high grade Tin featured trading on the London Metal Exchange. Forward standard metal was heavily sold in the morning and dipped to £6,760 despite buying thought to have been on behalf of the Buffer Stock Manager. The heavy buying of high grade tin began on the second morning Ring where the price jumped to £7,030. In the afternoon renewed heavy buying, again thought to represent the Buffer Stock Manager, lifted forward high grade to a close of £7,150. Other metal prices were generally a shade firmer, notably Nickel which rose to £3,207.5 following Commission House short covering.

| COPPER | a.m. Official | + or — | p.m. Unofficial | + or — |
|---|---|---|---|---|
| | £ | £ | £ | £ |
| HighGrde | | | | |
| Cash | 833-.5 | +5 | 831-2 | +5 |
| 3 mths | 851-.5 | +6 | 858-.5 | +2.5 |
| Settlem't | 833.5 | +5 | — | ...... |
| Cathodes | | | | |
| Cash | 830-.6 | +6.25 | 828.5-9 | +1.75 |
| 3 months | 856.5-7 | +6 | 855.5-6 | +2.75 |
| Settlem't | 830.6 | +4.5 | — | ...... |
| U.S. Prod. | — | — | *76.5-82 | ...... |

Amalgamated Metal Trading reported that in the morning cash Higher Grade traded at £833.00, three months £862.50, 63.00, 62.00, 61.50, 61.00. Cathodes, cash £830.00, three months £857.00. Kerb: Higher Grade, three months £861.00, 60.00. Afternoon: Higher Grade, three months £858.00, 57.50, 57.00, 50.50, 57.50, 59.00, 59.50, 59.00. Kerb: Higher Grade, three months £859.00, 58.00, 57.00, 57.90, 57.00, 56.00. Turnover: 14,300 tonnes.

Tin—Morning: Standard, three months £6,860, 50, 20, 10, 6,800, 6,790, 70, 60, 6,800, 20, 50, 70, 80. High Grade, three months £6,800, 50, 6,900, 50, 7,000, 20, 60. Kerb: Standard, three months £6,900. High Grade, three months £7,050, 20. Afternoon: Standard, cash £6,850, three months £6,900, 20, 25, 20, 30, 20, 40, 45, 50, 45. Higher Grade, three months £7,050, 40, 45, 50, 40, 46, 50. Kerb: Three months £6,940, 50, 80, 90, 80. High Grade, three months £7,120, 50. Turnover: 9,770 tonnes.

| TIN | a.m. Official | + or — | p.m. Unofficial | + or — |
|---|---|---|---|---|
| High Grade | £ | £ | £ | £ |
| Cash | 6820-60 | -156 | 6840-60 | ...... |
| 3 months | 7050-100 | +52.5 | 7049-50 | +104 |
| Settlem't | 6860 | -100 | — | ...... |
| Standard | | | | |
| Cash | 6820-60 | -156 | 6840-50 | -5 |
| 3 months | 6800-50 | -37.5 | 6945-50 | +2.5 |
| Settlem't | 6860 | -100 | — | ...... |
| Straits E. | ‡$30.56 | ...... | — | ...... |
| NewYork | — | ...... | — | ...... |

| LEAD | a.m. Official | + or — | p.m. Unofficial | + or — |
|---|---|---|---|---|
| | £ | £ | £ | £ |
| Cash | 344.5-5.5 | +7 | 344.5 | +6.87 |
| 3 months | 354-.5 | +7.75 | 354-.5 | +7.87 |
| Settlem't | 345.5 | +7 | — | ...... |
| U.S. Spot | — | ...... | *28 | ...... |

Lead—Morning: Cash £345.00, three months £353.00, 54.00. Kerb: Three months £354.00, 53.50, 53.00. Afternoon: Three months £353.00, 52.50, 53.00, 52.00, 52.50, 53.50. Kerb: Three months £352.00, 53.00. Turnover: 5,600 tonnes.

| Aluminm | a.m. Official | + or — | p.m. Unofficial | + or — |
|---|---|---|---|---|
| | £ | £ | £ | £ |
| Spot | 580.5-1 | +5 | 575.5-6.6 | -1 |
| 3 months | 603-.5 | +5 | 598-.5 | -1.5 |

Aluminium—Morning: Three months £602.00, 03.00, 03.50, 04.00, 03.50. Kerb: Three months £603.00, 02.50, 03.00. Afternoon: Three months £601.00, 600.00, 599.00, 98.00, 98.50. Kerb: Three months £599.00, 99.50, 600.00. Turnover: 24,150 tonnes.

| ZINC | a.m. Official | + or — | p.m. Unofficial | + or — |
|---|---|---|---|---|
| | £ | £ | £ | £ |
| Cash | 449-50 | +5.5 | 448-8.5 | +5.75 |
| 3 months | 453-.5 | +5.5 | 452-.5 | +5.25 |
| S'ment | 450 | +5.5 | — | ...... |
| Primw'ts | — | ...... | *42.75-5.75 | ...... |

Zinc—Morning: Mid-May £452.50, three months £454.00, 53.50, 54.00, 54.50, 54.00, 55.00, 54.00, 53.00, 53.50. Kerb: Three months £454.00, 53.00. Afternoon: Three months £453.00, 52.50, 52.25, 52.50. Kerb: Three months £452.50, 53.00. Turnover: 5,600 tonnes.

| NICKEL | a.m. Official | + or — | p.m. Unofficial | + or — |
|---|---|---|---|---|
| Spot | 3305-15 | +140 | 3225-8 | +51.5 |
| 3 months | 3275-280 | +115 | 3215-7 | +50 |

Nickel—Morning: Cash £3,315, 20, 15, three months £3,275, 80, 90, 85, 80, 75, 70, 75, 80, 90, 85, 75. Kerb: Three months £3,275. Afternoon: Cash £3,230, three months £3,250, 40, 45, 40, 30, 25, 20, 16, 17. Kerb: Three months £3,215, 10, 3,200, 10, 05. Turnover: 2,112 tonnes.

* Cents per pound. ‡ M$ per kilo. † On previous unofficial close.

## SILVER

Silver was fixed 0.45p an ounce lower for spot delivery in the London bullion market yesterday at 397.3p. U.S. cent equivalents of the fixing levels were: spot 719.5c, down 1c; three-month 744.7c, down 1.4c; six-month 768.7c, down 1.6c; and 12-month 823.6c, down 1c. The metal opened at 396-400p (716-723c) and closed at 392-396p (710-715c).

| SILVER per troy oz. | Bullion fixing price | + or — | L.M.E. p.m. Unoffic'l | + or — |
|---|---|---|---|---|
| Spot | 397.30p | -0.45 | 395.25p | +1.75 |
| 3 months | 409.55p | -0.50 | 407.75p | +5 |
| 6 months | 421.20p | -0.50 | — | |
| 12months | 448.50p | -0.60 | — | |

LME—Turnover 45 (128) lots of 10,000 oz. Morning: Three months 408.5, 09.0, 08.0, 07.0, 07.5. Kerb: Three months 407.5. Afternoon: Three months 404.5, 05.0, 05.5, 06.0. Kerb: Three months 408.0, 08.5.

## COCOA

After early short-covering had petered out commission house selling depressed values in the absence of physical offtake and origin sales, reports Gill and Duffus.

| COCOA | Yest'day's Close | + or — | Business Done |
|---|---|---|---|
| March | 1190-95 | -12.0 | 1204-1190 |
| May | 1154-55 | -12.0 | 1170-54 |
| July | 1173-75 | -11.0 | 1185-71 |
| Sept | 1186-88 | -8.5 | 1198-86 |
| Dec | 1204-05 | -10.0 | 1213-03 |
| March | 1222-25 | -3.5 | 1235-25 |
| May | 1232-35 | -8.5 | 1255 |

Sales: 1,426 (1,297) lots of 10 tonnes.

ICCO—Daily price for March 11: 93.23 (94.17). Indicator price for March 12: 93.94 (94.11).

## WOOL FUTURES

BRADFORD—Small reductions in UK interest rates are helpful to the industry following the budget, otherwise values are firm in Australia but hesitant in New Zealand. Business is quiet and this is checking the earlier firm tendency. The industry is not too happy about prospects later in the year.

LONDON NEW ZEALAND CROSS-BREDS—Close (in order, buyer, seller, business). New Zealand cents per kg. Mar 404, 408, untraded; May 407, 411, 409; Aug 414, 428, 428-424; Oct 422, 424, 426-423; Dec 423, 425, 428-424; Jan 426, 427, 428-424; Mar 436, 437, 438-430, May 442, 445, 443-442; Aug 456, 457, 457-450. Sales: 121.

SYDNEY GREASY WOOL—Close (in order: buyer, seller, business). Australian cents per kg. Mar 522.0, 522.5, 524.0-519.0; May 521.0, 521.5, 524.6-521.0; July 526.0, 526.5, 529.0-526.0; Oct 519.0, 520.0, 523.5-519.0; Dec 522.0, 523.0, 526.0-523.0; Mar 529.5, 523.0, untraded; May 534.5, 535.5, 537.0; July 539.0, 542.0, 540.0-539.0. Sales: 252.

## COFFEE

Mixed buying interest during a quiet opening contributed towards initial gains, reports Drexel Burnham Lambert. A lack of follow-through support prompted long liquidation and in the face of additional selling from commission houses values retreated below recent support levels.

| COFFEE | Yesterday's Close | + or — | Business Done |
|---|---|---|---|
| | £ per tonne | | |
| March | 1460-65 | -52.0 | 1505-55 |
| May | 1530-51 | -16.0 | 1560-35 |
| July | 1244-47 | -20.0 | 1276-45 |
| Sept | 1910-12 | -15.0 | 1838-10 |
| Nov | 1201-05 | -16.0 | 1829-01 |
| January | 1192-98 | -14.5 | — |
| March | 1186-87 | -8.0 | — |

Sales: 4,412 (4,248) lots of 5 tonnes.

ICO Indicator prices for March 10 (U.S. cents per pound): Comp. daily 1979 136.31 (135.95); 15-day average 135.09 (135.23).

## GAS OIL FUTURES

After a strong opening resulting from the New York close and firmer physical prices, the market eased nervously before falling sharply. Prices firmed as the physical market remained steady and New York also rallied, reports Premier Man.

| Month | Yest'day's close | + or — | Business Done |
|---|---|---|---|
| | $ U.S. per tonne | | |
| March | 258.75 | -3.25 | [illegible] |
| April | 247.75 | -4.75 | [illegible] |
| May | 237.85 | [illegible] | [illegible] |
| June | 230.00 | [illegible] | [illegible] |
| July | 244.50 | [illegible] | [illegible] |
| August | 246.00 | [illegible] | [illegible] |
| Sept | 251.00 | [illegible] | [illegible] |
| Oct | 255.00 | [illegible] | [illegible] |

Sales: 5,091 (3,740) lots of 100 tonnes.

## GRAINS

The market opened unchanged as interest was then picking up. May wheat and barley received most attention, Acli reports.

| | WHEAT | | BARLEY | |
|---|---|---|---|---|
| Mnth | Yest'rd'ys close | + or — | Yest'rd'ys close | + or — |
| Mar. | 118.45 | -0.05 | 107.40 | +0.05 |
| May | 116.80 | -0.05 | 110.70 | +0.05 |
| July | 119.45 | -0.05 | — | — |
| Sept | 106.55 | -0.05 | 102.20 | -0.10 |
| Nov | 110.25 | -0.05 | 105.65 | -0.10 |
| Jan | 114.05 | +0.05 | 109.90 | -0.05 |

Business done—Wheat: March 112.45-112.40, May 115.95-115.75, July [illegible]. Sales: [illegible] lots of 100 tonnes. Barley: [illegible].

LONDON GRAINS—U.S. Dark Northern Spring No. 1, 14 per cent: [illegible]. English Feed, fob: March 115.50, April 117.25. [illegible] ... N. West 106.30. The UK Monetary Coefficient for the week beginning Monday, March 15, is expected to remain unchanged.

## RUBBER

The London physical market opened slightly steadier, attracted little interest throughout the day and closed quiet. Lewis and Peat recorded a March fob price for No. 1 RSS in Kuala Lumpur of 205.0 (same) cents a kg and SMR 20 182.5 (same).

| No. 1 R.S.S. | Yest'r'ys close | Previous close | Business Done |
|---|---|---|---|
| April | 49.80-50.50 | 50.40-50.60 | — |
| May | 50.80-51.00 | 51.40-51.80 | — |
| Apl-Jne | 50.80-50.90 | 51.60-51.70 | 51.50-50.60 |
| Jly-Sept | 54.80-54.90 | 55.60-55.70 | 55.50-54.50 |
| Oct-Dec | 56.90-57.00 | 57.70-57.60 | 57.80-56.40 |
| Jan-Mar | 59.50-59.40 | 60.00-60.10 | 58.70-58.60 |
| Apl-Jne | 61.70-61.90 | 62.50-62.50 | 61.30 |
| Jly-Sept | 64.20-64.30 | 65.10-65.50 | 64.30 |
| Oct-Dec | 66.80-67.00 | 67.80-67.90 | 66.80-66.70 |

Sales: 309 (656) lots of 15 tonnes, nil (same) lots of 5 tonnes.

Physical closing prices (buyers) were: Spot 49.00p (49.50p); April 51.00p (51.75p); May 51.00p (51.75p).

## SOYABEAN MEAL

The market opened with gains of 50p on Irish commission house buying, reports T. G. Roddick. Prices remained steady with trade selling capping price advances.

| | Yesterdys Close | + or — | Business Done |
|---|---|---|---|
| | £ per tonne | | |
| April | 128.00-28.0 | +0.55 | 128.00 |
| June | 127.50-27.7 | +0.25 | 128.00-27.50 |
| August | 127.90-28.1 | +0.15 | 128.50-28.00 |
| October | 128.00-28.5 | +0.35 | 128.30 |
| Dec | 132.50-32.8 | +0.75 | 132.50 |
| Feb | 135.50-35.5 | +1.45 | — |
| April | 135.50-37.5 | +1.50 | — |

Sales: 317 (72) lots of 10 tonnes.

## SUGAR

LONDON DAILY PRICE—Raw sugar £152.00 (£149.00) a tonne cif March-April shipment. White sugar daily price £166.00 (£162.00).

Short covering developed which absorbed scattered selling interest and prices moved higher over the day, reports C. Czarnikow.

| No. 4 Contract | Yesterday's Close | Previous Close | Business done |
|---|---|---|---|
| | £ per tonne | | |
| May | [illegible] | [illegible] | [illegible] |
| Aug | [illegible] | [illegible] | [illegible] |
| Oct | [illegible] | [illegible] | [illegible] |
| Jan | [illegible] | [illegible] | [illegible] |
| March | [illegible] | [illegible] | [illegible] |
| May | [illegible] | [illegible] | [illegible] |
| Aug | [illegible] | [illegible] | [illegible] |

Sales: 4,425 (3,370) lots of 50 tonnes.

Tate and Lyle delivery price for granulated basis white sugar was £374.00 (same) a tonne fob for home trade and £261.00 (£258.00) for export.

International Sugar Agreement (U.S. cents per pound) fob and stowed Caribbean ports. Prices for March 10: Daily price 11.26 (11.21); 15-day average 12.24 (12.40).

## POTATOES

LONDON POTATO FUTURES—Further long liquidation struck stop-loss selling in early trade which moved April lower. After recovering, further selling towards close took prices back to near the low, reports Coley and Harper. Closing prices: April 145.80, -1.70 (high 147.10, low 145.60); Nov 67.10, +0.40 (high 67.50); Feb 79.00, +0.50 (78.00 only). Turnover: 445 (502) lots of 40 tonnes.

GRIMSBY FISH—Supply good, demand good. Prices at ship's side (unprocessed) per stone: Shelf cod £4.50-£5.00, codlings £4.00-£4.60. Large haddock £5.70, medium £4.80-£5.60, small £2.80-£4.00. Best small plaice £3.20-£4.60. Lemon soles (large) £15.00, (medium) £13.00. Saithe £2.50-£2.80.

## PRICE CHANGES

In tonnes unless otherwise stated.

| | Mar. 11 1982 | + or — | Month ago |
|---|---|---|---|
| Metals | | | |
| Aluminium | £810/815 | ...... | £810/815 |
| Free Mkt | $1035/1065 | ...... | $1085/125 |
| Copper | | | |
| Cash h grade | £831.5 | +3 | £867.25 |
| 5 mths | £850.25 | +2.5 | £896.35 |
| Cash Cathode | £828.75 | +1.75 | £865 |
| 5 mths | £855.75 | +2.75 | £895 |
| Gold troy oz | $550.5 | -6 | $580.5 |
| Lead Cash | £344.5 | +6.875 | £355.5 |
| 5 mths | £354.85 | +7.875 | £345.75 |
| Nickel | £3824 | ...... | £5771.7 |
| Free mkt | 265/295c | +5 | 860/90c |
| Platin'mtr oz'y | £250 | ...... | £860 |
| Free mkt | £177.55 | -0.5 | £201.60 |
| Quicksilver† | $390/400 | ...... | $380/395 |
| Silver troy oz | 397.50p | -0.45 | 463.45p |
| 5 mths | 409.65p | -0.50 | 477.95p |
| Tin Cash | £6845 | -5 | £8945 |
| 5 mths | £6947.5 | +2.5 | £7910 |
| Tungsten22.0 lb | $130.00 | ...... | $135.54 |
| Wolfrm 22.4lbs | $114/118 | -1 | $195/130 |
| Zinc Cash | £448.75 | +5.75 | £459.85 |
| 3 mths | £452.25 | +5.25 | £464.625 |
| Producers | $900 | ...... | $875/950 |
| Oils | | | |
| Coconut (Phil) | $475z | ...... | $555 |
| Groundnut | ‡ | ...... | ‡ |
| Linseed Crude | ‡ | ...... | ‡ |
| Palm Malayan | $505v | -5.5 | $555 |
| Seeds | | | |
| Copra Philip | $550z | ...... | $550 |
| Soyabean (U.S.) | $256v | +1 | $260 |
| Grains | | | |
| Barley Fut. May | £110.70 | +0.05 | £110.65 |
| Maize | £151.50 | ...... | £133.50 |
| Wheat Fut. May | £115.90 | -0.10 | £115.00 |
| No.3 Hard Wint | £117.75 | ‡ | £116.50 |
| Other commodities | | | |
| Cocoa ship't* | £1180 | -22 | £1356 |
| Future May | £1154.5 | -16 | £1172.5 |
| Coffee Ft' May | £1530.5 | -16 | £1568.5 |
| Cotton A.Index | 70.35c | +0.05 | 70.05c |
| Gas Oil Apr. | $247.75 | -1.75 | $271 |
| Rubber (kilo) | 49.0p | -0.5 | 47p |
| Sugar (Raw) | £152z | +5 | £158 |
| Woolt'ps 64s kl. | 388p kilo | -2 | 381p kilo |

‡ Unquoted. v April. z March-April. x May. y April-May. u May-June. † Per 76 lb flask. * Ghana cocoa. n Nominal. § Seller.

## COTTON

LIVERPOOL—Spot and shipment sales amounted to 130 tonnes. Although demand broadened and a few more transactions occurred, the attitude of users was again to move slowly. Scattered operations took place in the Russian and Middle Eastern styles, with minor support in African and other qualities.

## MEAT/VEGETABLES

SMITHFIELD—Pence per pound. Beef: Scottish killed sides 88.0 to 95.0; Ulster hindquarters 95.5 to 98.0, forequarters 64.5 to 69.5. Veal: Dutch hinds and ends 120.0 to 126.0. Lamb: English small 84.5 to 91.0, medium 85.0 to 89.0, heavy 82.0 to 86.0. Scottish heavy 80.0 to 84.0. Imported: New Zealand PL 66.0 to 67.0, PM 66.0 to 67.0, PX 65.0 to 65.0, YLs 63.0 to 65.0. Pork: English, under 100 lb 46.0 to 56.0, 100-120 lb 48.0 to 56.0, 120-160 lb 43.0 to 51.0.

COVENT GARDEN—Prices for the bulk of produce, in sterling per package except where otherwise stated. Imported Produce: Mandarins—Cyprus: [illegible]

# AMERICAN MARKETS

NEW YORK, March 11.

THE LIVESTOCK COMPLEX strengthened on signs of improving cash demand and of a bullish pig crop report. Lack of buying interest in anticipation of reduced corn and wheat exports shown by the USDA supply/demand report pressured values in the grains and soyabean complex. Heating oil declined on expectations of further producer crude oil price cuts once Nigeria plans to lower prices at or after the forthcoming emergency Opec meeting. The precious metals and copper came under pressure on expected increases in the U.S. prime rate, reported Heinold.

Copper—March 67.30 (67.90), April 67.60 (68.50), May 68.75-68.85, July 70.40-70.50, Sept 73.15, Dec 74.65, Jan 75.35, March 76.90, May 78.40, July 79.95, Sept 81.50, Dec 83.90, Jan 84.60.

*Gold—March 328.1 (336.71, April 329.5-330.2 (338.8), May 333.6, June 335.5-337.5, Aug 344.5, Oct 351.0-351.8, Dec 360.0, Feb 367.3, April 375.4, June 383.7, Aug 390.0, Oct 400.5, Dec 410.1.

*Platinum—March 312.5 (324.6), April 315.0-416.0 (326.6), July 322.0-324.0, Oct 331.7, Jan 342.7, April 354.2.

Potatoes (round whites)—April 80.5-80.7 (80.6), Nov 77.5 (76.7), March 88.0. Sales: 286.

¶Silver—March 715.0 (725.0), April 720.5 (730.0), May 726.5-730.0, July 747.0-749.0, Sept 767.0, Dec 791.7, Jan 800.3, March 817.6, May 834.9, July 852.2, Sept 869.5, Dec 895.8, Jan 904.4. Handy and Harman bullion spot: 714.00 (710.00).

Sugar—No. 11: May 11.64-11.66 (11.58), July 11.83-11.84 (11.73), Sept 12.02-12.04, Oct 12.22-12.24, Jan 12.54, March 12.83-12.86, May 13.02-13.03, July 13.20. Sales: 11,225.

Tin—500.00-595.00 (580.00-600.00).

CHICAGO, March 11

Lard—Chicago loose 20.00 (same).

Live Cattle—April 66.60-66.70 (66.80), June 64.75-64.70 (64.60), Aug 63.00-62.05, Oct 60.02-60.00, Dec 60.25-60.47, Feb 60.35-60.55, April 60.50.

Live Hogs—April 49.90-49.75 (49.02), June 54.40-54.30 (53.05), July 55.00-54.95, Aug 53.70-53.85, Oct 49.80, Dec 50.7, Feb 50.20, June 49.50.

‡‡Maize—March 258¼-258 (256¾), May 270¼-270 (268½), July 276½, Sept 281¼-281½, Dec 285½-285¾, March 299½-299¾.

Pork Bellies—March 74.40-74.60 (72.92), May 74.95-75.25 (73.65), July 74.60-74.70, Aug 72.02-72.40, Feb 70.25-70.35, March 70.60, May 71.00, July 71.75.

†Soyabeans—March 604½ (607), May 617-616 (618), July 627½-627, Aug 631, Sept 632-631½, Nov 638½-636, Jan 649, March 664.

‖Soyabean Meal—March 180.5 (180.8), May 181.5-181.7 (181.8), July 184.7-184.8, Aug 186.0, Sept 186.5, Oct 187.5, Dec 189.5-189.7, Jan 190.7-190.8.

Soyabean Oil—March 19.02-19.00 (18.13), May 18.49-18.48 (18.61), July 18.35, Aug 19.15, Sept 19.30, Oct 19.55, Dec 19.85, Jan 20.01, March 20.30-20.35.

†Wheat—March 340½ (350), May 351½-352 (358¼), July 364-364¼, Sept 378½-378, Dec 397-396½, March 412.

WINNIPEG, March 11

§Barley—March 119.60 (119.60), May 123.00 (123.10), July 125.80, Oct 127.80, Dec 133.20.

§Wheat—SCWRS 13.5 per cent protein content cif St Lawrence 220.94 (220.94).

All cents per pound ex-warehouse unless otherwise stated. * $ per troy ounce. ¶ Cents per troy ounce. ‡‡ Cents per 56-lb bushel. † Cents per 60-lb bushel. ‖ $ per short ton (2,000 lb). § $Can. per metric ton. §§ $ per 1,000 sq ft. ‡ Cents per dozen. †† $ per metric ton.

## Wednesday's closing prices

††Cocoa—March 1954 (1931), May 1964 (1951), July 1989, Sept 2029, Dec 2064, March 2094. Sales: 2,614.

Coffee—"C" Contract: March 160.50 (161.83), May 146.61-146.80 (146.05), July 137.00, Sept 131.05-131.40, Dec 127.00, March 124.00-125.00, May 119.00-124.00, July 119.00-123.00. Sales: 2,100.

Cotton—No. 2: March 60.75 (62.00), May 63.55-63.60 (64.17), July 65.50-65.60, Oct 65.25, Dec 64.90-65.00, March 66.45-66.50, May 67.70, July 68.00 bid. Sales: 7,550.

Orange Juice—March 127.50-127.95 (128.00), May 131.00 (131.90), July 133.80, Sept 135.85-136.00, Nov 137.40-137.80, Jan 139.00, March 140.50-140.75, May 142.00, July 142.50-143.00.

Potatoes (round whites)—April 80.5 80.7 (79.7), Nov 76.5-76.7 (75.2), March 88.4.

CHICAGO, March 10.

Chicago Imm Gold — March 336.2 (333.5), June 346.0-345.5 (342.5), Sept 356.5, Dec 368.4, March 380.2, June 392.3, Sept 404.7.

# EUROPEAN MARKETS

ROTTERDAM, March 11.

Wheat—(U.S. $ per tonne): U.S. No. 2 Dark Hard Winter, 13.5 per cent: April 200, March 20/April 15 197. U.S. No. 2 Red Winter: March 166, April 168. U.S. No. 3 Amber Durum: [illegible]. U.S. No. 2 Northern Spring, 14 per cent: [illegible]. Canadian Western Red Spring: April/May 201.

Maize—(U.S. $ per tonne): U.S. No. 3 Yellow: [illegible].

Soyabeans—(U.S. $ per tonne): U.S. No. 2 Yellow, Gulfports: [illegible].

Soyameal—(U.S. $ per tonne): 44 per cent protein: [illegible].

PARIS, March 11.

Cocoa—(FFr per 100 kilos): [illegible].

Sugar—(FFr per tonne): [illegible].

## INDICES

FINANCIAL TIMES

| Mar. 10 | Mar. 9 | Month ago | Year ago |
|---|---|---|---|
| 243.15 | 243.14 | 250.32 | 255.02 |

(Base: July 1, 1952=100)

MOODY'S

| Mar. 10 | Mar. 9 | Month ago | Year ago |
|---|---|---|---|
| 985.2 | 984.6 | 1111.5 | 1118.7 |

(December 31, 1931=100)

DOW JONES

| Dow Jones | Mar. 10 | Mar. 9 | Month ago | Year ago |
|---|---|---|---|---|
| Spot | 133.76 | 133.89 | 130.05 | — |
| Fut's | 128.94 | 128.65 | 136.13 | — |

(Base: December 31 1974=100)

REUTERS

| Mar. 11 | Mar. 10 | Month ago | Year ago |
|---|---|---|---|
| 1580.7 | 1583.5 | 1619.8 | 1706.1 |

(Base: September 18, 1931=100)

## BOND DRAWINGS

KINGDOM OF NORWAY

US$25,000,000 5¼% 20-Year External Loan of 1964

HAMBROS BANK LIMITED advise that the notice to bondholders of the drawing by lot [illegible]

HAMBROS BANK LIMITED

11th March 1982.

# Base rate cut help equities in further thin trading
# Renewed demand for index-linked Government stocks

**Account Dealing Dates**

| *First Dealings | Option Declara-tions | Last Dealings | Account Day |
|---|---|---|---|
| Mar 1 | Mar 11 | Mar 12 | Mar 22 |
| Mar 15 | Mar 25 | Mar 26 | Apr 5 |
| Mar 29 | Apr 15 | Apr 16 | Apr 26 |

* "New time" dealings may take place from 9.30 am two business days earlier.

The half-point cut in base lending rates came as no surprise to London stock markets yesterday, but gave a boost to underlying confidence. This was particularly noticeable in the equity sectors, which were overshadowed on Wednesday by the spectacular advance in the Gilt-edged market following the budget.

Leading shares moved up on a broad front, with disappointment that the cut in lending rates had not matched recent expectations of a full point countered by hopes that a further reduction is in the offing.

Wall Street's half-hearted attempt to rally on Wednesday made for a cautious opening in the equity markets, but the tone became distinctly firmer shortly afterwards. Illustrating the trend, the FT Industrial Ordinary share index recorded a small lose at the first calculation, rallied to show an improvement of 2.7 an hour later and the rise was extended to 7 points at noon. Thereafter, the tone remained extremely firm and the index closed 8.4 up at the day's best of 567.9.

The advance in the leaders took place in a low volume of trade and a gain of 12 to 138p in Tubes following consideration of the preliminary figures accounted for nearly 2 points of the index rise. Among the sectors, Oils took a decided turn for the better, sentiment being helped by a rise of 12 to 350p in Shell following satisfactory preliminary figures. BP reports results next Monday.

Another brisk trading session in Gilt-edged was featured by continued support for the index-linked stocks. These recorded fresh gains extending to 3 points following Wednesday's strong advance on the removal of restrictions on purchases.

Mediums and longs trended lower at the start, but support was forthcoming at the lower levels and quotations ended with net improvements ranging to ⅜ and occasionally more. Shorts, in contrast, turned reactionary, but some demand was shown for Treasury 3 per cent 1985 which rallied ¼ to 77¾ after Wednesday's setback in low-coupon stocks on the competition from index-linked issues.

## Banks down again

Still overshadowed by the Chancellor's treat to review the general contribution which banks make to Government revnue, the major clearing banks drifted lower on sporadic offerings and lack of support; the reductions in base lending rates of ½ to 13 per cent made no impact on sentiment. Barclays cheapened 5 for a two-day relapse of 22 to 480p, while Lloyds also dipped 5 more, to 460p, as did NatWest, to 450p. Midland eased 3 afresh to 332p; the preliminary results are due next Friday. Contrasting movements in Discount Houses were provided by Gillett Bros, which added 8 to 155p and Union, 10 off at 445p. Elsewhere, Schroders firmed 5 further to 445p following comment on the good results.

Lloyds Brokers benefited from an increased turnover in Insurances. C. E. Heath stood out with an improvement of 10 to 320p, while Minet, 171p, and Stenhouse 116p, gained 3 and 4 respectively.

Breweries finished with modest gains after a subdued business. Grand Metropolitan added 2 to 208p, while Greenall Whitley, a dull market since the acquisition of Arrowsmith last month, rallied 3 to 111p. Distilleries featured Arthur Bell, 4 dearer at 176p; the interim results are due soon. First-half results from Matthew Clarke left the shares 2 easier at 160p.

Buildings continued to benefit from the Chancellor's £170m. Budget boost and the prospect of a cut in mortgage rates. Barratt Developments gained another 5 to 280p; the interim results are due next Monday. BPB Industries, 406p, Tarmac, 468p, and Redland, 177p, all added 4, but Blue Circle were neglected and stayed at 476p. Elsewhere, HAT Group attracted investment support and put on 4½ to 92½p, while UBM firmed 2 to 59½p. Timber issues took a distinct turn for the better, International rising 6 to 89p. Magnet and Southerns 4 to 164p and Montague L. Meyer 2 to 72p. Against the trend, Conder International shed 5 to 65p on nervous selling ahead of today's annual results.

A particularly dull market late on Wednesday, ICI encountered revived support and closed 4 dearer at 338p. Fisons attracted new-time buying and put on 10 to 295p. Among other Chemicals, Plysu added 5 to 120p but Leigh Interests shed 3 to a 1981-82 low of 97p.

## Stores better late

Leading Stores hovered around the opening levels for most of the session, but encountered steady support after the "House" close and most finished at the day's best. Gussies A were again outstanding and advanced 13 to 503p. Marks and Spencer, 145p, and British Home, 156p, rose 4 and 3 respectively. In contrast, a generally poor Press reaction to the preliminary figures clipped a penny more from Woolworths, 51p. D-I-Y issues continued to make progress on the budget measures to boost the construction industry. Home Charm rose 4 to record a two-day gain of 10 at 156p. A. G. Stanley added a couple of pence to 64p.

Trading in the Electrical leaders was again lively and a much firmer trend was apparent by the close. Thorn EMI rallied 7 to 435p and Racal closed a similar amount better at 360p, while GEC, 820p, and Plessey, 370p, added 6 and 5 respectively. Philips Lamps' provided a dull contrast, falling 8 more to 477p in the wake of recent results. Elsewhere, Standard Telephones and Cables jumped 25 to 490p in anticipation of today's preliminary figures. Ward and Goldstone put on 5 to 118p despite redundancy news and Farnell gained a similar amount more to 830p, still on the share sub-division proposals.

Comment on the company's recovery potential in the wake of the first loss-making year in its history attracted buyers to Tubes, which rose steadily to finish 12 better at 138p, after 140p. GKN, the next Engineering major to report preliminary figures next Thursday, moved up 6 to 163p, while John Brown finished a few pence dearer at 61p. Elsewhere, Spencer Clarke rose 3½ to 20p on the announcement that the chairman has increased his stake in the company to 5 per cent. Bronx advanced 3 to 16p on demand ahead of next Tuesday's preliminary figures and McKechnie Bros hardened 2 to 103p in response to Press comment.

The emphasis in Foods switched back to the leaders with Cadbury Schweppes and United Biscuits reporting preliminary results. Cadbury Schweppes also announced two major overseas acquisitions and touched 102p before closing 1½ dearer on balance at 101p. United opened lower at around 122p, picked up on the announcement to 125p but drifted off to close 4 down on balance at 123p. Elsewhere, Huntley and Palmer touched 105p before closing a penny up at 104p on vague rumours of a counter bid; current bidders Rowntree Mackintosh held at 166p. Needlers put on 4 to 84p in response to the preliminary results, while speculative counter Albert Fisher added 1½ more to 46p, after 47p, on new-time interest.

Ladbroke attracted renewed support and rose 6 to 155p; the preliminary results are due soon.

Base lending rate cuts by the major clearing banks fuelled an improvement in the miscellaneous industrial leaders. Pharmaceutical concerns led the advance, Glaxo rising 8 to a peak of 508p and Beecham closing 7 to the good at 235p. Bowater firmed 6 to 248p. Elsewhere, Stocklake stood out with a jump of 18 to 128p in response to the interim statement. Trading results prompted a rise of 5 to 80p in Brooks Watson and one of 3 to 32p in New Equipment, while news of the reduced deficit left Pentos a couple of pence dearer at 15p. Buying ahead of next Tuesday's interim figures helped Wolseley-Hughes to close 8 dearer at 363p, while Marley hardened 1½ afresh to 49p on Press comment. Nu-Swift Industries, on the other hand, lost 3½ to 33½p following the lower profits and Staffordshire Potteries reacted 2 to 31p despite the halved pre-tax loss at the interim stage.

Television issues displayed a particularly firm feature in HTV N/V, which jumped 18 to 146p in response to much-better-than-expected interim results. The 32p gallon reduction in the price of aviation fuel announced in the Budget stimulated fresh support for travel concerns; Horizon added 10 to 395p, Intasun 4 to 132p and Saga 6 to 162p.

Newspaper were quietly firm. Pearson Longman added 4 more to 231p and Daily Mail A 3 to 396p. Irish concern Independent were marked 8 higher at 88p following the preliminary results. Elsewhere, East Lancashire Paper closed a couple of pence to the good at 56p in response to the sharply increased full-year earnings.

## Shell up on results

Inclined easier initially, Properties picked up on the base rate cuts and closed with modest gains on balance. Land Securities finished 3 dearer at 308p, after 303p, and MEPC 5 up at 228p, after 222p. Capital and Counties hardened a couple of pence to 121p and Great Portland Estates 4 to 182p. Elsewhere, Clarke Nickolls put on 8 to 125p following an investment recommendation, while Trust Securities attracted useful support and gained 12 to 352p. Publicity given to the company's links with Aitken-Hume prompted a gain of 2 to 30p in Whittington Estates. A. and J. Mucklow, interim results due next Tuesday, added 4 more to 92p, while Estates and Agency put on 6 to 144p.

The announcement half an hour before the official close of satisfactory annual results stimulated fresh support for Shell which, standing 6 higher at 344p awaiting the figures, touched 354p following the announcement before closing a net 12 up at 350p; Royal Dutch hardened ½ to £16½. British Petroleum, preliminary results scheduled for next Monday, firmed 6 to 280p. Elsewhere in the Oil sector, NCC Energy put on 9 to 102p on new-time interest, while KCA International improved 6 to 90p.

Among Overseas Traders, William Jacks gained the turn to 20p following the increased full-year profits.

## De Beers/Anglo improve

Recently depressed mining markets regained some of the lost ground but closed well below the day's best levels as the bullion price was finally quoted at $330.5 an ounce—a net less of $2—after having touched $334 earlier in the day.

Another heavy turnover was reported in De Beers, which closed 5 up at 237p, after 242p, while Anglo American Corporation ended a net 10 higher at 455p, after 465p, and Minorco 36 up at 340p.

Among other South African Financials, Gencor gained 60 to 760p, "Amcoal" ½ to £10½ and UC Investments 30 to 400p.

"Amgold," subjected to U.S. selling in the after-hours' trade, closed ⅜ firmer on balance at £28½, after £29½, ahead of the reduced final dividend and full-year profits.

South African Golds were generally quiet but the market provided features in Driefontein and Kloof, both of which moved up sharply in after-hours' trading on Wednesday reflecting sizeable American bear-closing. Driefontein jumped 110 to 952p and Kloof almost a point to £11⅜. On the other hand, Hartebeest dipped ⅜ to a 1981-82 low of £18½.

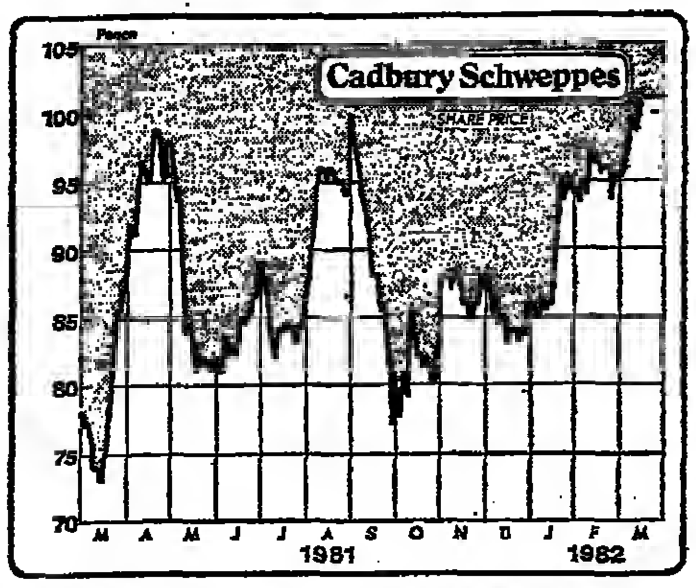
The Gold Mines index rose 8.2 for a two-day gain of 18.8 to 228.0.

Australians turned in a much steadier performance, prompted by the gains on overnight Sydney and Melbourne markets. The placement of 15.5m North Broken Hill shares to raise a total of A$27m unsettled the shares which closed 8 cheaper at 110p, after an initial mark-down to a 1981-82 low of 105p.

The fund-raising had only a minor effect on the Australian market in general.

Bond Corporation recouped 8 to 82p, while other leading issues showed Western Mining a like amount to the good at 212p. Renison 5 firmer at 155p and Peko-Wallsend 4 harder at 284p. Poseidon moved up 8 to 82p.

Activity in Traded Options continued to contract and only 1,440 deals were arranged—1,161 calls and 279 puts. Imperial recorded 310 calls with the popular May 80s and August 90s accounting for 144 and 123 trades respectively. Put business was dominated by Shell Transport which recorded 110 deals following the annual results.




## FINANCIAL TIMES STOCK INDICES

| | Mar. 11 | Mar. 10 | Mar. 9 | Mar. 8 | Mar. 5 | Mar. 4 | A year ago |
|---|---|---|---|---|---|---|---|
| Government Secs. | 68.71 | 68.75 | 68.62 | 68.56 | 68.36 | 67.89 | 69.66 |
| Fixed interest | 69.07 | 69.62 | 67.94 | 68.65 | 67.54 | 67.25 | 71.56 |
| Industrial Ord. | 567.9 | 559.5 | 560.8 | 564.1 | 566.7 | 566.7 | 481.6 |
| Gold Mines | 228.0 | 219.8 | 209.2 | 216.0 | 236.3 | 231.6 | 318.0 |
| Ord. Div. Yield | 5.61 | 5.64 | 5.61 | 5.61 | 5.67 | 5.65 | 6.47 |
| Earnings, Yld. % (full) | 10.24 | 10.38 | 10.43 | 10.37 | 10.34 | 10.41 | 15.27 |
| P/E Ratio (net)(*) | 12.37 | 12.40 | 12.46 | 12.54 | 12.46 | 12.37 | 8.04 |
| Total bargains | 23,029 | 22,622 | 26,348 | 27,060 | 24,664 | 23,838 | 21,785 |
| Equity turnover £m. | — | 162.05 | 140.14 | 180.37 | 176.49 | 137.06 | 143.27 |
| Equity bargains | — | 17,735 | 23,263 | 24,654 | 20,303 | 21,026 | 18,268 |

10 am 558.8. 11 am 562.2. Noon 565.5. 1 pm 566.6. 2 pm 566.5. 3 pm 567.2.

Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Industrial Ord. 1/7/35. Gold Mines 12/9/55. SE Activity 1974.

Latest index 01-246 8026.

*Nil = 11.32.

## HIGHS AND LOWS

| | 1981/2 High | 1981/2 Low | Since Compilat'n High | Since Compilat'n Low |
|---|---|---|---|---|
| Govt. Secs. | 70.61 (29/5/81) | 60.17 (26/10/81) | 127.4 (9/1/35) | 49.18 (3/1/75) |
| Fixed Int. | 72.01 (29/5/81) | 61.61 (26/10/81) | 150.4 (28/11/47) | 50.53 (3/1/75) |
| Ind. Ord. | 597.3 (30/4/81) | 446.0 (14/1/81) | 597.3 (30/4/81) | 49.4 (26/6/40) |
| Gold Mines | 429.0 (14/9/81) | 209.2 (3/3/82) | 558.9 (22/9/80) | 43.5 (26/10/71) |

## S.E. ACTIVITY

| | Mar. 10 | Mar. 9 |
|---|---|---|
| Daily Gilt Edged Bargains | 233.7 | 334.8 |
| Equities Bargains | 114.2 | 150.3 |
| Value | 341.7 | 263.3 |
| 5-day Avrge. Gilt-Edged Bargains | 262.9 | 330.9 |
| Equities Bargains | 138.6 | 141.9 |
| Value | 332.7 | 322.0 |

## RECENT ISSUES

### EQUITIES

### FIXED INTEREST STOCKS

### "RIGHTS" OFFERS

Renunciation date usually last day for dealing free of stamp duty.

## ACTIVE STOCKS

Above average activity was noted in the following stocks yesterday

## WEDNESDAY'S ACTIVE STOCKS

Based on bargains recorded in S.E. Official List

## OPTIONS

| First Deal-ings | Last Deal-ings | Last Declara-tion | For Settle-ment |
|---|---|---|---|
| Mar 8 | Mar 19 | June 17 | June 28 |
| Mar 22 | April 2 | July 1 | July 12 |
| Apr 5 | Apr 26 | July 15 | July 26 |

For rate indications see end of Share Information Service

Quiet trading in Options saw calls arranged in Nimslo, Bats, Transparent Paper, Exco, Hawtin, Town and City Properties, Marinex, Second City Properties, Control Securities, Amersham, Trident TV A, Howard Machinery and Charterhall. No puts were reported. A double was taken out in Nimslo.

# WORLD VALUE OF THE DOLLAR

Bank of America NT & SA, Economics Department, London

The table below gives the rates of exchange for the U.S. dollar against various currencies as of Wednesday, March 10, 1982. The exchange rates listed are middle rates between buying and selling rates as quoted between banks, unless otherwise indicated. All currencies are quoted in foreign currency units per one U.S. dollar except in certain specified areas. All rates quoted are indicative. They are not based on, and are not intended to be used as a basis for, particular transactions. Bank of America NT and SA does not undertake to trade in all listed foreign currencies, and neither Bank of America NT and SA nor the Financial Times assume responsibility for errors.

| COUNTRY | CURRENCY | VALUE OF DOLLAR |
|---|---|---|
| [illegible] | [illegible] | [illegible] |

n.a. Not available. * U.S. dollars per National Currency unit. (O) Official rate. (C) Commercial rate. (F) Financial rate.

## NEW HIGHS AND LOWS FOR 1981/2

The following quotations in the Share Information Service yesterday attained new Highs and Lows for 1981-82.

NEW HIGHS (44)

NEW LOWS (28)

## RISES AND FALLS YESTERDAY

| | Rises | Falls | Same |
|---|---|---|---|
| British Funds | 31 | 30 | 31 |
| Corpns. Dom. and Foreign Bonds | 7 | 7 | 50 |
| Industrials | 264 | 203 | 839 |
| Fin. and Props. | 109 | 88 | 324 |
| Oils | 29 | 23 | 58 |
| Plantations | 1 | 7 | 21 |
| Mines | 65 | 14 | 65 |
| Others | 50 | 34 | 62 |
| Totals | 561 | 406 | 1,516 |

## HAMBRO SALE

The Hambro Group has disposed of the Lloyds insurance brokers subsidiary, Housley, Heath to Mr G. H. C. Needler, the former chairman and chief executive of the Hoveringham Group.

Mr Needler intends to maintain and develop the existing business.

# FT-ACTUARIES SHARE INDICES

These Indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

| | EQUITY GROUPS & SUB-SECTIONS (Figures in parentheses show number of stocks per section) | Thur March 11 1982 Index No. | Day's Change % | Est. Earnings Yield % (Max.) | Gross Div. Yield % (ACT at 30%) | Est. P/E Ratio (Net) | Wed March 10 Index No. | Tues March 9 Index No. | Mon March 8 Index No. | Fri March 5 Index No. | Year ago (approx.) Index No. |
|---|---|---|---|---|---|---|---|---|---|---|---|
| 1 | CAPITAL GOODS (210) | 371.21 | +0.8 | 9.22 | 4.26 | 13.66 | 368.29 | 367.48 | 370.34 | 366.20 | 318.14 |
| 2 | Building Materials (25) | 335.02 | +0.7 | 12.99 | 5.25 | 9.25 | 333.74 | [illegible] | [illegible] | [illegible] | [illegible] |
| 3 | Contracting, Construction (28) | 623.72 | +0.5 | 14.58 | 4.63 | 8.08 | 610.82 | 603.24 | 609.64 | 594.90 | 492.85 |
| 4 | Electricals (31) | 1260.39 | +1.1 | 7.33 | 2.30 | 17.45 | 1247.16 | 1257.73 | 1264.94 | 1248.30 | 1015.97 |
| 5 | Engineering Contractors (9) | 506.33 | +0.2 | 12.47 | 5.78 | 9.37 | 505.52 | 502.22 | 507.44 | 506.57 | 410.25 |
| 6 | Mechanical Engineering (67) | 194.60 | +0.6 | 10.79 | 5.72 | 11.81 | 193.43 | 193.20 | 194.56 | 193.18 | 184.78 |
| 8 | Metals and Metal Forming (12) | 166.15 | +1.4 | 7.32 | 7.33 | 19.18 | 163.92 | 163.53 | 165.44 | 164.66 | 144.52 |
| 9 | Motors (21) | 98.23 | −0.3 | — | 6.78 | — | 98.52 | 97.58 | 98.76 | 97.67 | 88.17 |
| 10 | Other Industrial Materials (17) | 393.56 | +0.7 | 8.48 | 5.45 | 14.64 | 390.85 | 389.54 | 393.92 | 393.16 | 323.39 |
| 21 | CONSUMER GROUP (198) | 298.66 | +0.7 | 12.23 | 5.57 | 10.04 | 296.48 | 297.36 | 298.56 | 295.83 | 241.93 |
| 22 | Brewers and Distillers (21) | 297.42 | +0.7 | 15.81 | 6.56 | 7.61 | 295.45 | 297.27 | 291.67 | 288.41 | 264.24 |
| 25 | Food Manufacturing (21) | 281.07 | −0.5 | 15.10 | 6.33 | 7.94 | 282.38 | 282.31 | 285.41 | 284.54 | 223.85 |
| 26 | Food Retailing (15) | 612.70 | +0.1 | 8.78 | 3.26 | 13.87 | 611.97 | 606.52 | 611.69 | 610.55 | 444.70 |
| 27 | Health and Household Products (7) | 386.07 | +2.0 | 8.10 | 4.14 | 14.51 | 378.47 | 386.27 | 392.39 | 387.19 | 256.29 |
| 29 | Leisure (24) | 449.33 | +0.9 | 9.27 | 4.92 | 13.53 | 445.50 | 441.00 | 444.93 | 439.59 | 363.22 |
| 32 | Newspapers, Publishing (12) | 515.42 | — | 10.96 | 6.03 | 12.21 | 515.27 | 509.98 | 512.98 | 515.95 | 441.78 |
| 33 | Packaging and Paper (13) | 147.03 | +0.9 | 13.61 | 7.33 | 8.79 | 145.76 | 145.44 | 147.80 | 146.56 | 128.85 |
| 34 | Stores (45) | 271.84 | +1.4 | 10.41 | 4.93 | 12.89 | 268.17 | 267.79 | 270.58 | 266.17 | 245.17 |
| 35 | Textiles (23) | 173.50 | +0.2 | 9.50 | 5.76 | 13.67 | 173.14 | 173.28 | 175.33 | 172.88 | 138.74 |
| 36 | Tobaccos (3) | 316.00 | +0.5 | 19.38 | 8.25 | 5.88 | 314.32 | 322.60 | 316.20 | 317.60 | 214.75 |
| 39 | Other Consumer (14) | 285.74 | +0.1 | 0.33 | 5.92 | — | 285.54 | 285.12 | 283.16 | 281.82 | 255.40 |
| 41 | OTHER GROUPS (79) | 258.92 | +0.8 | 12.93 | 6.00 | 9.32 | 256.75 | 258.20 | 260.91 | 256.99 | 205.89 |
| 42 | Chemicals (16) | 346.36 | +1.0 | 12.99 | 6.67 | 9.19 | 342.79 | 349.73 | 352.37 | 345.35 | 242.84 |
| 44 | Office Equipment (4) | 130.58 | +1.1 | 12.33 | 6.58 | 9.88 | 129.21 | 126.76 | 127.50 | 127.41 | 106.97 |
| 45 | Shipping and Transport (13) | 572.65 | +1.4 | 18.71 | 6.45 | 6.36 | 564.74 | 566.34 | 569.75 | 571.76 | 580.35 |
| 46 | Miscellaneous (46) | 321.86 | +0.5 | 11.33 | 5.07 | 10.82 | 320.39 | 319.28 | 324.07 | 318.36 | 265.82 |
| 49 | INDUSTRIAL GROUP (487) | 318.44 | +0.8 | 11.22 | 5.15 | 11.00 | 316.01 | 316.46 | 318.39 | 315.04 | 260.24 |
| 51 | Oils (13) | 642.76 | +2.5 | 22.14 | 8.79 | 5.12 | 627.13 | 635.17 | 633.08 | 642.64 | 869.35 |
| 59 | 500 SHARE INDEX | 344.97 | +1.0 | 12.84 | 5.69 | 9.39 | 341.47 | 342.53 | 344.15 | 341.82 | 308.48 |
| 61 | FINANCIAL GROUP (117) | 263.77 | +0.2 | — | 6.00 | — | 263.16 | 265.09 | 268.53 | 267.61 | 243.08 |
| 62 | Banks (6) | 288.15 | −0.9 | 37.08 | 7.38 | 3.00 | 290.89 | 298.66 | 303.77 | 300.25 | 226.38 |
| 63 | Discount Houses (9) | 238.97 | −0.7 | — | 9.07 | — | 240.65 | 237.61 | 237.78 | 234.66 | 302.59 |
| 65 | Insurance (Life) (9) | 260.65 | +0.2 | — | 6.14 | — | 260.19 | 260.55 | 263.14 | 263.51 | 255.45 |
| 66 | Insurance (Composite) (10) | 168.78 | +0.4 | — | 8.19 | — | 168.15 | 168.23 | 170.48 | 171.78 | 160.59 |
| 67 | Insurance Brokers (7) | 457.05 | +1.6 | 9.74 | 4.99 | 13.88 | 449.67 | 446.37 | 456.16 | 457.15 | 339.63 |
| 68 | Merchant Banks (12) | 146.24 | +0.5 | — | 5.71 | — | 145.56 | 146.81 | 148.13 | 148.38 | 147.58 |
| 69 | Property (49) | 468.36 | +1.0 | 4.58 | 3.15 | 29.18 | 463.84 | 463.34 | 467.31 | 463.57 | 471.74 |
| 70 | Other Financial (15) | 182.23 | +0.3 | 15.62 | 3.97 | 7.85 | 181.62 | 183.58 | 186.64 | 186.18 | 175.92 |
| 71 | Investment Trusts (112) | 299.54 | −0.1 | — | 5.44 | — | 299.78 | 298.92 | 302.52 | 301.03 | 283.26 |
| 81 | Mining Finance (4) | 202.71 | −0.1 | 16.71 | 7.01 | 7.27 | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| 91 | Overseas Traders (17) | 387.13 | +0.8 | 13.52 | 8.22 | 9.09 | 383.23 | [illegible] | [illegible] | [illegible] | [illegible] |
| 99 | ALL-SHARE INDEX (750) | 324.10 | +0.8 | — | 5.80 | — | 321.65 | 322.71 | 324.95 | 323.03 | 265.17 |

### FIXED INTEREST

| | PRICE INDICES | Thur March 11 | Day's change % | Wed March 10 | xd adj. today | xd adj. 1982 to date |
|---|---|---|---|---|---|---|
| | British Government | | | | | |
| 1 | 5 years | 110.11 | −0.17 | 110.30 | — | 2.65 |
| 2 | 5-15 years | 111.17 | −0.05 | 111.23 | — | 2.45 |
| 3 | Over 15 years | 114.99 | +0.14 | 114.83 | — | 2.52 |
| 4 | Irredeemables | 123.18 | — | 123.18 | — | 1.62 |
| 5 | All Stocks | 111.86 | +0.09 | 111.74 | — | 2.41 |
| 6 | Debentures & Loans | 88.27 | +0.27 | 88.03 | — | 2.06 |
| 7 | Preference | 64.26 | −0.12 | 64.32 | — | 1.91 |

AVERAGE GROSS REDEMPTION YIELDS

† Flat yield. Highs and lows record, base dates, values and constituent changes are published in Saturday issues. A new list of constituents is available from the Publishers, The Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 15p, by post 28p.

# FT UNIT TRUST INFORMATION SERVICE

## AUTHORISED UNIT TRUSTS

**Abbey Unit Tst. Mngrs. (a)**
72-80, Gatehouse Rd., Aylesbury. 0296 5941

| | | | | |
|---|---|---|---|---|
| American Growth | 55.4 | 59.6 | +0.4 | 2.43 |
| Capital | 39.2 | 42.4 | +0.2 | 4.02 |
| (Accum. Units) | 50.6 | 54.7 | +0.2 | 4.02 |
| General | 61.5 | 66.5 | +0.2 | 4.62 |
| Gilt & Fixed Int. | 103.5 | 108.9xd | +0.1 | 12.03 |
| Income | 40.0 | 43.2 | ..... | 8.66 |
| Worldwide Bond | 108.4 | 114.7 | +0.2 | 4.80 |
| Inv. Tst. Fd. | 52.8 | 57.1 | −0.4 | 4.20 |
| Equitas Prog. | 84.7 | 91.6 | +0.5 | 4.47 |

**Allen Harvey & Ross Unit Tst. Mngrs.**
45, Cornhill, London EC3V 3PB. 01-623 6314.

| | | | | |
|---|---|---|---|---|
| AHR Gilt Trust | 92.8 | 97.6xd | +0.6 | 12.44 |

**Allied Hambro Ltd. (a) (g)**
Hambro Hse., Hutton, Brentwood, Essex
Brentwood (0277) 211459 & 229123

| | | | | |
|---|---|---|---|---|
| **Balanced Funds** | | | | |
| Allied 1st | 92.4 | 98.9xd | +0.5 | 5.45 |
| Brit. Inds. Fund | 83.4 | 89.2 | +0.2 | 5.99 |
| Growth & Income | 59.8 | 64.0 | +0.1 | 3.91 |
| Elect. & Ind. Dev. | 47.5 | 50.8 | +0.1 | 4.23 |
| Allied Capital | 103.6 | 110.9 | +0.5 | 4.50 |
| Hambro Fund | 142.3 | 152.3 | +0.5 | 5.31 |
| Hambro Acc. Fund | 207.0 | 221.5 | +0.6 | 4.51 |
| **Income Funds** | | | | |
| High Yield Fd. | 70.7 | 75.7xd | −0.1 | 8.40 |
| High Income | 87.4 | 93.5xd | +0.2 | 7.27 |
| Equity Income Fd. | 49.4 | 52.9 | +0.1 | 6.98 |
| Govt. Secs. | 25.9 | 26.6 | +0.1 | 11.95 |
| **International Funds** | | | | |
| International | 33.0 | 36.3 | +0.5 | 2.61 |
| Japan Fund | 26.9 | 28.8 | −0.2 | 0.57 |
| Pacific Fund | 62.8 | 67.2 | +0.1 | 1.40 |
| American Spec. Sits. | 23.6 | 25.2 | −0.3 | 1.10 |
| Secs. Of America | 77.2 | 82.6 | +0.4 | 2.97 |
| **Specialist Funds** | | | | |
| Smaller Co.'s Fd. | 60.9 | 65.2 | −0.1 | 3.60 |
| 2nd Smlr. Co's Fd. | 76.1 | 81.4xd | +0.2 | 3.99 |
| Recovery | 29.8 | 31.9 | +0.1 | 4.42 |
| Met. Min. & C'dty. | 54.4 | 58.2 | +0.2 | 6.55 |
| Overseas Earnings | 80.8 | 86.5 | +0.3 | 4.65 |
| **Exempt Funds** | | | | |
| Income Exempt | 55.9 | 58.7 | ..... | 8.10 |
| Far East Exempt | 69.2 | 72.0 | +0.1 | 1.74 |
| Smaller Co. Exempt | 104.1 | 109.3 | ..... | 8.61 |
| U.S.A. Exempt | 126.0 | 131.0xd | +0.5 | 3.00 |

**Anderson Unit Trust Managers Ltd.**
62, London Wall, EC2R 7DQ 01-638 1200

| | | | | |
|---|---|---|---|---|
| Anderson U.T. | 67.4 | 73.0 | ..... | 3.39 |

**Ansbacher Unit Mgmt. Co. Ltd.**
1, Noble St., EC2V 7JA. 01-726 4931

| | | | | |
|---|---|---|---|---|
| Inc. Monthly Fund | 162.0 | 172.0xd | ..... | 10.38 |
| Leics. & Gen. Fd. | 55.0 | 58.0 | ..... | 7.33 |

**Anthony Wieler Unit Tst. Mgmt. Ltd.**
19, Widegate St., London, E1 7HP. 01-247 8827

| | | | | |
|---|---|---|---|---|
| Wieler Gwth Fd. Inc. | 35.7 | 38.4xd | ..... | 2.80 |
| Do. Accum. | 46.3 | 49.8xd | ..... | 8.50 |

**Arbuthnot Securities Ltd. (a)(c)**
37, Queen St., London, EC4R 1BY. 01-236 5281

| | | | | |
|---|---|---|---|---|
| Capital | 33.4 | [illegible] | [illegible] | — |
| Commodity | 60.1 | [illegible] | [illegible] | 2.93 |
| (Accumulation) | 86.0 | [illegible] | [illegible] | 2.93 |
| (10% Withdrawal) | 42.2 | [illegible] | [illegible] | 2.93 |
| Eastern & Internatl. | 45.8 | [illegible] | [illegible] | 1.00 |
| (6% Withdrawal) | 29.7 | [illegible] | [illegible] | 1.00 |
| Extra Income | 84.8 | [illegible] | [illegible] | 10.87 |
| (Accumulation) | 111.0 | [illegible] | [illegible] | 10.87 |
| Finance & Property | 25.5 | [illegible] | [illegible] | 4.45 |
| Foreign | 132.8 | [illegible] | [illegible] | 1.00 |
| Giants | 48.3 | [illegible] | [illegible] | 3.21 |
| (Accumulation) | 64.9 | [illegible] | [illegible] | 3.21 |
| Gilt & Fixed | 41.9 | [illegible] | [illegible] | 11.61 |
| (Accumulation) | 50.2 | [illegible] | [illegible] | 11.61 |
| Growth | 42.0 | [illegible] | [illegible] | 3.40 |
| (Accumulation) | 56.8 | [illegible] | [illegible] | 3.40 |
| High Income | 35.9 | [illegible] | [illegible] | 9.63 |
| (Accumulation) | 65.7 | [illegible] | [illegible] | 9.63 |
| (8½% Withdrawal) | 47.5 | [illegible] | [illegible] | 9.63 |
| High Yield | 37.3 | [illegible] | [illegible] | 12.32 |
| (Accumulation) | 73.5 | [illegible] | [illegible] | 12.32 |
| North American†† | 32.7 | [illegible] | [illegible] | 1.00 |
| Preference | 20.0 | [illegible] | [illegible] | 13.90 |
| (Accumulation) | 44.1 | [illegible] | [illegible] | 13.90 |
| Smaller Companies | 40.5 | [illegible] | [illegible] | 2.53 |
| (Accumulation) | 41.0 | [illegible] | [illegible] | 2.53 |

**Choularton Fund Managers(g)**
57-63, Princess St., Manchester. 061-236 5685

| | | | | |
|---|---|---|---|---|
| Growth | 14.1 | 15.2 | −0.1 | 4.00 |
| International | 49.9 | 53.9xd | +0.5 | 1.75 |
| High Income | 29.5 | 31.9 | −0.1 | 11.01 |

**Confederation Funds Mgt. Ltd. (a)**
50, Chancery Lane, WC2A 1HE. 01-242 0282

| | | | | |
|---|---|---|---|---|
| Growth Fund | 78.0 | 82.1 | ..... | 4.50 |

**Craigmount Unit Tst. Mgrs. Ltd.**
Bucklersbury, London EC4N 8BD. 01-248 4984

| | | | | |
|---|---|---|---|---|
| High Income | 36.8 | 40.2 | +0.1 | 11.00 |
| North American | 55.0 | 59.4 | +0.2 | 2.82 |
| Canadian Exempt* | 51.7 | 54.0 | ..... | 3.57 |
| Canadian Trust | 44.8 | 48.5 | +0.2 | 2.84 |
| Mid Mount High Inc.* | 46.5 | 49.2xd | ..... | 9.75 |
| Recovery | 57.0 | 62.2 | +0.1 | 3.54 |
| Gilt Trust | 39.2 | 41.5xd | +0.1 | 13.65 |

*Weekly dealing day Wednesday.

**Crescent Unit Tst. Mngrs. Ltd. (a)(g)**
4 Melville Cres., Edinburgh 3 031-226 3492

| | | | | |
|---|---|---|---|---|
| Cres. Amer. Fd. | 35.9 | 38.8 | +0.3 | 1.03 |
| Cres. Cap. Fd. | — | 25.0 | — | 3.60 |
| Cres. High. Dist. | 48.5 | 52.4 | — | 8.73 |
| Cres. Internat'l | 78.5 | 94.8 | ..... | 1.77 |
| Cres. Reserves | 53.1 | 57.3xd | +0.4 | 5.24 |
| Cres. Tokyo | 36.2 | 39.1 | −0.1 | 0.32 |

**Dartington Unit Trust Mngt. Ltd.**
Bridge Chambers, Barnstaple, Devon 0271 76324

| | | | | |
|---|---|---|---|---|
| Total Perf. Unit Tst. | 22.2 | 24.6 | ..... | 5.64 |

**Discretionary Unit Fund Managers**
36/38 New Broad St, EC2M 1NU. 01-638 4485

| | | | | |
|---|---|---|---|---|
| Disc. Inc. Feb 26 | 255.3 | 272.2 | ..... | 4.91 |

**Dunbar Unit Trust Managers Ltd.**
53, Pall Mall, London, SW1 5JH. 01-930 2122

| | | | | |
|---|---|---|---|---|
| Income & Grwth. | 23.5 | 25.0 | +0.2 | 7.21 |
| Special Sits. | 24.1 | 25.6 | ..... | 1.88 |

**E. F. Winchester Fund Mngt. Ltd.**
44, Bloomsbury Square, WC1A 2RA 01-623 8893

| | | | | |
|---|---|---|---|---|
| Great Winchester | 30.9 | 23.5 | ..... | 7.40 |
| Gt. Winchester O'seas | 31.4 | 34.8 | ..... | 3.59 |

**Equity & Law Un. Tr. M. (a) (b) (c)**
Amersham Rd., High Wycombe. 0494 33377

| | | | | |
|---|---|---|---|---|
| UK Gwth. Tst. Acc. | 57.2 | 61.4 | +0.1 | 4.73 |
| UK Gwth. Tst. Inc. | 57.2 | 61.4 | +0.1 | 4.73 |
| Higher Inc. Tst. Acc. | 59.6 | 64.0 | −0.1 | 8.01 |
| Higher Inc. Tst. Inc. | 59.6 | 64.0 | −0.1 | 8.01 |
| Gilts/Fxd. Int. Tst. Acc. | 55.2 | 58.1xd | +0.1 | 5.18 |
| Gilts/Fxd. Int. Tst. Inc. | 54.1 | 56.9xd | +0.1 | 5.18 |
| Nth. America Tst. Acc. | 48.0 | 51.6 | +0.5 | 2.12 |
| Far East Tst. Acc | 43.1 | 46.3 | −0.3 | 1.93 |
| General Tst. | 94.7 | 101.8 | +0.5 | 4.72 |

**Fidelity International Management Ltd.**
20, Abchurch Lane, London EC4N 7AL. 283 9911

| | | | | |
|---|---|---|---|---|
| American (z) | 35.4 | 38.3 | +0.2 | 0.72 |
| Amer. Spec. Sits. (z) | 23.9 | 26.0 | +0.3 | 0.01 |
| Gilt & Fixed Int. | 24.9 | 25.7 | +0.1 | 12.92 |
| Growth & Income | 34.8 | 38.0 | +0.5 | 6.94 |
| Japan Trust (z) | 22.1 | 23.9 | −0.3 | — |
| Max. Inc. Eq. Tst. | 31.2 | 33.8xd | ..... | 8.96 |
| Special Sits. | 39.1 | 43.0 | +0.5 | 0.67 |

**James Finlay Unit Trust Mngt. Ltd.**
10-14, West Nile Street, Glasgow. 041-204 1321

| | | | | |
|---|---|---|---|---|
| J. Finlay Internat'l | 32.7 | 35.1 | ..... | 2.29 |
| Accum. Units | 40.8 | 43.8 | ..... | 2.29 |
| J. Finlay High Income | 39.1 | 42.0 | ..... | 9.25 |
| Finlay Wld. Energy | 12.1 | 13.0 | ..... | 3.07 |
| Accum. Units | 15.7 | 16.9 | ..... | 3.07 |
| J. Finlay Fd. In. Tst. | 42.7 | 45.9 | ..... | 5.37 |
| Accum. Units | 56.6 | 60.7 | ..... | 5.37 |

Prices on March 10. Next dealing March 17.

**Framlington Unit Mgt. Ltd. (a)**
64, London Wall, EC2M 5NQ. 01-628 5181

| | | | | |
|---|---|---|---|---|
| Amer. & Gen. | 82.6 | 88.2 | +0.4 | 0.94 |
| (Accum. Units) | 82.6 | 88.2 | +0.4 | 0.94 |
| Am. T'around. | 75.4 | 80.6 | +0.6 | 2.12 |
| (Accum. Units) | 75.4 | 80.6 | +0.6 | 2.12 |
| Capital Tst. | 68.2 | 72.8 | ..... | 4.57 |
| (Accum. Units) | 73.4 | 78.4 | −0.2 | 4.57 |
| Convertible & Gilt | 49.6 | 52.2 | ..... | 9.41 |
| (Accum. Units) | 52.8 | 55.4 | ..... | 9.41 |
| Extra Income Trust | 56.6 | 60.4xd | ..... | 8.36 |
| Income Tst. | 47.4 | 50.6 | +0.2 | 6.79 |
| Int. Growth Fd. | 65.0 | 69.4 | +0.6 | 1.35 |
| (Accum. Units) | 70.4 | 75.2 | +0.6 | 1.35 |

**Robert Fraser Trust Mgt. Ltd.**
28b Albemarle St., W.1. 01-493 3211

| | | | | |
|---|---|---|---|---|
| Robt. Fraser Ut. Tst. | 70.4 | 75.4 | ..... | 6.00 |

**Friends Prov. Trust Managers (a)(b)(c)**
Pixham End, Dorking. Tel. 885055

| | | | | |
|---|---|---|---|---|
| Friends Prov. Units | 72.0 | 77.0 | −0.2 | 4.05 |
| Do. Accum. | 107.4 | 114.8 | −0.3 | 4.05 |

**Lloyd's Life Unit Tst. Mngrs. Ltd.**
2, St. Mary Axe, EC3A 8BP. 01-623 6114

| | | | | |
|---|---|---|---|---|
| Equity Accum. (2) | 284.5 | 299.5 | ..... | 3.90 |

**Local Authorities' Mutual Invest. Tst.***
77, London Wall, EC2N 1DB. 01-588 1815

| | | | | |
|---|---|---|---|---|
| Property Fd. Jan. 31 | | 158.59 | ..... | 6.83 |
| Wider Fd. Jan 31 | | 288.65 | ..... | 5.00 |
| Narrower Fd. Jan. 31 | | 73.40 | ..... | 13.90 |

*Unauthorised. Available only to Local Authorities.

**M & G Group (y)(c)(z)**
Three Quays, Tower Hill, EC3R 6BQ. 01-626 4588

| | | | | |
|---|---|---|---|---|
| American | 66.2 | [illegible] | [illegible] | 2.71 |
| (Accum. Units) | 72.6 | [illegible] | [illegible] | 2.71 |
| American Recovery | 75.4 | [illegible] | +0.1 | 1.64 |
| (Accum. Units) | 78.6 | [illegible] | [illegible] | 1.64 |
| Australasian | 58.6 | [illegible] | [illegible] | 2.49 |
| (Accum. Units) | 61.9 | [illegible] | [illegible] | 2.49 |
| Commodity | 110.7 | [illegible] | [illegible] | 3.71 |
| (Accum. Units) | 133.4 | [illegible] | [illegible] | 3.71 |
| Compound Growth | 174.1 | [illegible] | [illegible] | 3.82 |
| Conversion Growth | 113.6 | [illegible] | [illegible] | 2.92 |
| Conversion Income | 80.4 | [illegible] | [illegible] | [illegible] |
| Dividend | 142.1 | [illegible] | [illegible] | [illegible] |
| (Accum. Units) | 398.2 | [illegible] | [illegible] | [illegible] |
| European | 60.2 | [illegible] | [illegible] | [illegible] |
| (Accum. Units) | 67.7 | 72.4 | −0.2 | [illegible] |
| Extra Yield | 90.5 | 98.6 | +0.7 | [illegible] |
| (Accum. Units) | 152.4 | 166.1 | +1.2 | [illegible] |
| Far Eastern | 101.1 | 108.2xd | +1.7 | [illegible] |
| (Accum. Units) | 116.8 | 125.0 | +1.8 | [illegible] |
| Fund of Inv. Tsts. | 94.0 | 102.5 | ..... | [illegible] |
| (Accum. Units) | 130.4 | 152.1 | +0.1 | [illegible] |
| General | 234.3 | 251.9 | +0.7 | [illegible] |
| (Accum. Units) | 424.8 | 456.7 | +1.1 | [illegible] |
| Gilt Income | 48.7 | 51.1xd | +1.0 | [illegible] |
| (Accum. Units) | 54.1 | 56.8 | +1.2 | [illegible] |
| High Income | 121.4 | 129.9 | +0.7 | 8.34 |
| (Accum. Units) | 259.1 | 277.2 | +1.5 | 8.34 |
| Japan | 182.7 | 195.5 | [illegible] | 0.62 |
| (Accum. Units) | 192.7 | [illegible] | [illegible] | 0.62 |
| Magnum | 296.9 | [illegible] | [illegible] | 5.71 |
| (Accum. Units) | 425.6 | [illegible] | [illegible] | 5.71 |
| Midland | 183.8 | [illegible] | [illegible] | 7.74 |
| (Accum. Units) | 377.5 | [illegible] | [illegible] | 7.74 |
| Recovery | 157.1 | [illegible] | [illegible] | 4.19 |
| (Accum. Units) | 157.9 | [illegible] | [illegible] | 4.19 |
| Second General | 259.4 | 278.4 | [illegible] | 5.31 |
| (Accum. Units) | 448.9 | [illegible] | [illegible] | 5.31 |
| Smaller Companies | 264.4 | [illegible] | [illegible] | 4.62 |
| (Accum. Units) | 373.2 | [illegible] | +0.4 | 4.62 |
| **Specialised Funds** | | | | |
| Trustee | 184.6 | 201.2 | +0.1 | 6.84 |
| (Accum. Units) | 431.8 | 470.7 | +0.2 | 6.84 |
| Charibond March 9 | 94.1 | — | +1.2 | 13.82 |
| Charifund March 9 | 169.6 | 173.3xd | ..... | 8.61 |
| Pension Ex. Mar 8 | 181.9 | 191.9 | ..... | 7.06 |

**ManuLife Management Ltd.**
St. George's Way, Stevenage. 0438 56101

| | | | | |
|---|---|---|---|---|
| Gilt & Fxd Int. | 68.6 | 59.8 | ..... | 4.67 |
| Growth Units | 83.9 | 88.3 | ..... | 4.55 |

**Mayflower Management Co. Ltd.**
14-18, Gresham St., EC2V 7AU. 01-606 8099

| | | | | |
|---|---|---|---|---|
| Income March 8 | 113.6 | 119.6xd | ..... | 8.72 |
| General March 8 | 80.7 | 85.0xd | ..... | 4.97 |
| Intl. March 8 | 55.5 | 57.9xd | ..... | 3.95 |

**McAnally Fund Management Ltd.**
Regis Hse., King William St., EC4. 01-623 4951

| | | | | |
|---|---|---|---|---|
| Dolphi Inc. Tst. Acc. | 35.4 | 39.4 | +0.2 | 8.97 |

## INSURANCE BONDS

# FT SHARE INFORMATION SERVICE

## BRITISH FUNDS

"Shorts" (Lives up to Five Years)

Five to Fifteen Years

Over Fifteen Years

Undated

## INT. BANK AND O'SEAS GOVT. STERLING ISSUES

## CORPORATION LOANS

## COMMONWEALTH AND AFRICAN LOANS

## LOANS

Public Board and Ind.

## LOANS—Continued

Financial

Building Societies

## FOREIGN BONDS & RAILS

## AMERICANS

## CANADIANS

## BANKS AND HIRE PURCHASE

## BANKS & H.P.—Cont.

Hire Purchase, etc.

## BEERS, WINES AND SPIRITS

## BUILDING INDUSTRY, TIMBER AND ROADS

## CHEMICALS, PLASTICS

## CHEMICALS, PLASTICS—Cont.

## DRAPERY AND STORES

## ELECTRICALS

## ENGINEERING MACHINE TOOLS

## ENGINEERING—Continued

## FOOD, GROCERIES, ETC.

## FOOD, GROCERIES—Cont.

## HOTELS AND CATERERS

## INDUSTRIALS (Miscel.)

## INDUSTRIALS—Continued

[illegible]

## INSURANCE

[illegible]

## LEISURE

[illegible]

## LEISURE—Continued

[illegible]

## MOTORS, AIRCRAFT TRADES

### Motors and Cycles

[illegible]

### Commercial Vehicles

[illegible]

### Components

[illegible]

### Garages and Distributors

[illegible]

## NEWSPAPERS, PUBLISHERS

[illegible]

## PAPER, PRINTING ADVERTISING

[illegible]

## PROPERTY

[illegible]

## PROPERTY—Continued

[illegible]

## SHIPPING

[illegible]

## SHOES AND LEATHER

[illegible]

## SOUTH AFRICANS

[illegible]

## TEXTILES

[illegible]

## TOBACCOS

[illegible]

## TRUSTS, FINANCE, LAND

### Investment Trusts

[illegible]

## INVESTMENT TRUSTS—Cont.

[illegible]

### Finance, Land, etc.

[illegible]

## OIL AND GAS

[illegible]

## OIL AND GAS—Continued

[illegible]

## OVERSEAS TRADERS

[illegible]

## RUBBERS AND SISALS

[illegible]

## TEAS

### India and Bangladesh

[illegible]

### Sri Lanka

[illegible]

## MINES

### Central Rand

[illegible]

### Eastern Rand

[illegible]

### Far West Rand

[illegible]

### O.F.S.

[illegible]

### Finance

[illegible]

### Diamond and Platinum

[illegible]



## MINES—Continued

### Central African

[illegible]

### Australian

[illegible]

### Tins

[illegible]

### Copper

[illegible]

### Miscellaneous

[illegible]

## NOTES

*Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on "net" distribution basis, earnings per share being computed on profit after taxation and unrelieved ACT where applicable; bracketed figures indicate 10 per cent or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution; this compares gross dividend costs to profit after taxation, excluding exceptional profits/losses but including estimated extent of offsettable ACT. Yields are based on middle prices, are gross, adjusted to ACT of 30 per cent and allow for value of declared distribution and rights.*

- ● "Tap" Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents on application.
- ◆ Figures or report awaited.
- ⊕ USM; not listed on Stock Exchange and company not subjected to same degree of regulation as listed securities.
- †† Dealt in under Rule 163(2)(a): not listed on any Stock Exchange and not subject to any listing requirements.
- ‡‡ Dealt in under Rule 163(3).
- ✱ Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividend or forecast.
- ♦ Merger bid or reorganisation in progress.
- ♣ Not comparable.
- ● Same interim: reduced final and/or reduced earnings indicated.
- § Forecast dividend; cover on earnings updated by latest interim statement.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ★ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ‖ No par value.
- §§ Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock. a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Tax free up to 30p in the £. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Minimum tender price. F Dividend and yield based on prospectus or other official estimates for 1981-82. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1982. K Figures based on prospectus or other official estimates for 1981-82. M Dividend and yield based on prospectus or other official estimates for 1983. N Dividend and yield based on prospectus or other official estimates for 1982-83. P Figures based on prospectus or other official estimates for 1982. Q Gross. T Figures assumed. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xd ex capital distribution.

## REGIONAL MARKETS

The following is a selection of London quotations of shares previously listed only in regional markets. Prices of Irish issues, most of which are not officially listed in London, are as quoted on the Irish exchange.

| | | | IRISH | | |
|---|---|---|---|---|---|
| Albany Inv. 20p | 48 | -2 | Conv. 9% '80/82 | £95½ | +⅛ |
| Bertrams | 17# | ...... | Nat. 9¾% 84/89 | £65⅝ | ...... |
| Bdg'wtr. Est. 50p | 420 | ...... | Fin. 13% 97/02 | £67⅝ | ...... |
| Craig & Rose £1 | £12¾ | ...... | Alliance Gas | 55 | ...... |
| Finlay Pkg. 5p | 25 | -½ | Arnott | 225 | ...... |
| Graig Ship. £1 | £21 | ...... | Carroll (P.J.) | 72 | ...... |
| Higsons Brew | 67 | ...... | Concrete Prods. | 90 | ...... |
| Holt (Jos) 25p | 565 | ...... | [illegible] | [illegible] | [illegible] |
| [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |

## OPTIONS

*3-month Call Rates*

[illegible]

A selection of Options traded is given on the London Stock Exchange Report page

"Recent Issues" and "Rights" Page 36

This service is available to every Company dealt in on Stock Exchanges throughout the United Kingdom for a fee of £600 per annum for each security

# FINANCIAL TIMES

Friday March 12 1982



# Parting shots from Joe Gormley

BY NICK GARNETT, NORTHERN CORRESPONDENT

AN ERA ended yesterday when Mr Joe Gormley wound up his last executive meeting after 11 years as president of the National Union of Mineworkers.

After a decade at the centre of the political stage and of the power battles in the union Mr Gormley's last formal union meeting before his retirement next month was quietly concluded at an isolated hotel in Workington, Cumbria.

His farewell shots included advice for Mr Arthur Scargill, his successor, and a warning to the rank and file that the union was endangered because they were too lazy to attend branch meetings where policy decisions were made by activists.

For Mr Gormley retirement might include a peerage, though he said yesterday he had declined a knighthood offered by then Prime Minister Mr Jim Callaghan, conciliation work and advertising chocolate-drops, with much of the money from that going to charity.

It certainly means horse racing—he is a director of United Raceco, rses—an autobiography called The Battered Cherub to be published in April, and a good pension with a £30,000 ex gratia payment and his union owned house at Sunbury on Thames at peppercorn rent.

For the union, the left-right battles will continue unabated but with a sharper edge as Mr Scargill, the outgoing Yorkshire president, eases himself into Mr Gormley's chair.

Attempts to secure proportional voting representation, which would strengthen the union's big left-led areas and eventually overturn the existing right-wing majority of the union, will be fought over.

As he left the hotel Mr Scargill repeated the union's policies, any one of which could prove a flash-point in dealings with the Government and the National Coal Board.

Left-wing members of the executive, who boycotted a farewell dinner for Mr Gormley on Wednesday night, had evidently decided not to attack Mr Gormley in yesterday's executive or to try to block financial arrangements for his retirement.

Everyone, including Mr Scargill, shook his hand. "It was one of the friendliest executives I have ever had," Mr Gormley said. He was leaving the union in a "happy frame of mind."

The left-right dogfight, however, which in the NUM involves some of the most trivial as well as some of the most fundamental issues, was in the air at Workington.

At the dinner Mr Gormley, 25 years on the executive and 51 years in the industry, poured out his feelings about the left. "They're no good for the miners and they are no good for Britain." If miners followed a left-wing leadership it would be the end of jobs in the coalfields.

Yesterday Mr Gormley was playing the wise old man. Mr Scargill, he said, was a bright young chap. He would succeed if he grew into the job, realised that what mattered was the views and well-being of the miners, and showed tolerance of other people's views.

Miners had to produce coal and it had to be sold. "That's the objective and I hope he doesn't forget it."

People had to expect change in a modern society but if "you keep threatening the public it won't be good for the industry."

He said he had fought against Communists and the left all his working life and he would continue to do so. His view of the past 11 years? "I have had the support of my members and that to me is very important."

THE Commons select committee on energy accused the Government and the National Coal Board of siding some of the UK's main industrial competitors by exporting coal at subsidised prices. Page 6

# NEB sets up regional investment companies

By John Elliott and Ian Hamilton Fazey

TWO SMALL business investment companies with funds of about £2m each will be set up on Merseyside and in the south west by the National Enterprise Board, part of the British Technology Group.

On Merseyside the board will work with the Merseyside Development Corporation. The fund will be managed in partnership with local management consultants Collinson Grant and Associates.

In the south-west the main partner will be Dartington and Company, a 2½-year-old merchant bank founded by the Dartington Hall Trust. It ras regional interests, including stakes in Television South West.

An announcement is expected from the board on Tuesday. It is believed to be putting an initial £500,000 of its own funds into each venture with another £500,000 available later. Similar arrangements are being negotiated in at least one other part of the country.

These development amount to a major reorganisation of the board's regional activities, which have failed in the past six years to make a major impact in their two main areas of operation—the north west and the north east. At present there are only 19 investments. Some earlier ventures have collapsed.

There are separate regional boards for the north west and north east and this may be changed.

The arrangements will take the board into the south west for the first time.

The aim will be to invest in smaller companies with ordinary shares, preference shares, loans and guarantees, with options of equity as well.

*The emphasis will be on* companies with growth potential and innovative products. Initially investments will be limited to £50,000 each and businessmen will have the *option to buy the board out* later.

The funds will be open to private subscribers and the board hopes they will become recognised as major regional initiatives attracting the support of local businessmen and other organisations.

They are being welcomed by the Government, which is specially concerned about the problems of Merseyside. In that area the venture will be called Merseyside Enterprise Fund.

The board already has a *three-year-old joint company* with Collinson Grant called Sapling Enterprises and this organisation will manage the investment portfolio.

The link with the Merseyside Development Corporation will mean that companies sited on the corporation's land will receive help from the fund.

## THE LEX COLUMN

# Test of strength for Shell

"The financial position is considered to be stroog," writes Shell, not uncomplacently. Although the ratio of long-term debt to capital employed edged up three points to 27.2 per cent, cash holdings rose by a third to £2.9bn, the result of a shrewd de-stocking programme implemented in the second half of last year which leaves the group in a relatively good position in a very weak market.

For 1981 as a whole, net income—after stock appreciation and the effects of FAS 8, making its unlamented farewell appearance, are stripped out—is barely changed at £1.51bn. Two-thirds of last year's profits were earned in the second half, when the group's cost disadvantages vis-a-vis the Aramco partners was being rapidly eliminated and the weakening of the dollar was widening downstream margins in other currencies.

Now the game has changed again. The Aramco advantage is part of history, and Shell must have a very competitive purchasing position. But demand is still falling, the outlook for official prices is difficult to read, and the downstream markets have become exceptionally cut-throat. The mix of stock losses and pressure on the current margin is difficult to disentangle, and Shell is doing nothing to help: "no useful predictions" can be made about when stability will be attained.

At least the first quarter figures will be compared with a dull period in 1981. For this year overall, higher production volume—the result of a capital spending programme now pushing £5bn a year—should make up for anything but a catastrophic fall in oil prices. And the very big downstream losses, on a current margin basis, that Shell experienced outside America in the first half of 1981 should not be repeated—the group is perhaps the best positioned of the majors to weather unstable market conditions.

**Index rose 8.4 to 567.9**

After yesterday's 12p rise to 350p the shares yield 8.7 per cent on a dividend increased by 7 per cent; the cautious rating reflects the uncertain prospects for a deeply unfashionable sector.

### Cadbury Schweppes

Cadbury Schweppes is moving smoothly along with its strategy of running down minor brands, rationalising UK operations and attacking foreign markets. The first half progress has been well maintained with 1981 pre-tax profits rising 31.5 per cent to £80.6m.

This admittedly overstates the underlying pisition, since last year's rights issue has knocked £4.4m off the interest charge and lower sterling rates at the year end have added £8.8m to the pre-tax figure. But Cadbury is *still generating cash* at an impressive rate. Leaving aside the rights issue proceeds, last year's cash inflow wa £19.9m before exchange items. A 35 per cent rise in capital spending to £77m and higher promotional costs have been comfortably absorbed.

Cadbury received little help from volume in 1981 and the better returns result mostly from brand support and cost control. Cadbury still has some way to go in this direction (the 1981 figures carry £10.1m of extraordinary provisions for future rationalisation) but the recent re-rating of the shares is also discounting a substantial uplift in the overseas operations.

The U.S. improved considerably in the second half, helped by an easing in the confectionery price war and new bottling capacity coming on stream. But Rondo is still struggling and Cadbury will be under pressure to justify its acquisition of Duffy-Mott for $60m. Goodwill represents close to half the purchase price, though it should be reduced following a property revaluation, and the historic p/e of 18 times looks fairly rich. At last night's price of 101p, which produces a 6.7 per cent yield, the shares may be looking for a new impetus.

### United Biscuits

United Biscuits is steadily getting to gripa with the legacy of its mistakes in the late 1970s. It has begun to recapture market share in the UK biscuit market, is turning round the loss making frozen food business, while returns in the U.S. are looking healthier. Pre-tax profits in 1981 have risen 24 per cent to £60.9m. While a changed basis of depreciation, not to speak of plentiful extraordinary debits in 1980, muddies comparisons, this nevertheless underlines a slowdown after the 50 per cent rise at ths halfway stage. The main problems have been in snacks, with crisps volume falling away in t he second half and a squeeze in the net nut margin.

By contrast, trading profits in UK biscuits have risen by 11 per cent to £27.1m over the year. With unit labour costs falling, UB has been able to produce a more competitive price structure through an 18-month price freeze, at the same time pushing up its market share by nearly 1½ per centage points to about 42 per cent. The frozen food loss of £3.2m in 1980 has been reduced to £0.1m and there should be a profit in the current year. Meanwhile, helped by £2m of translation profits from the weakness of sterling, U.S. trading profits have jumped by half to £28.7m.

With snacks currently looking happier and with Terry now under its wing, UB seems set to make something over £65m pre-tax this year. But the company still has some way to go before it can finance its continuing high level of capital expenditure out of retained earnings. The shares fell 4p yesterday to 123p, to produce a yield of 6½ per cent.

# Shell warns of investment curbs as income falls

By Ray Dafter, Energy Editor

THE ROYAL Dutch Shell group, which yesterday reported a 19 per cent fall in net income in 1981, has warned that its investment plans are likely to be cut if prices continue to tumble.

The group, the world's second biggest oil corporation, plans to invest around £5bn this year, over 25 per cent more than in 1981. But Sir Peter Baxendell, chairman of "Shell" Transport and Trading—the UK arm of the Anglo-Dutch corporation—said that future spending on major projects could be cancelled or rephased.

He warned of "supply complacency" arising from a possible continuing fall in crude oil prices.

"If you do get complacency, many of the necessary projects in synthetic fuels and coal gasification will drop by the wayside. Demand will rise and with these projects gone we will be in the same cleft stick as in the 1970s." Oil prices would quickly rise again, he added.

He said Shell had been affected by the rapid decline in demand which led to the present fall in prices. The group's net income fell from £2.2bn in 1980 to £1.8bn last year. Gross sales proceeds and operating revenues rose from 1980's £40.2bn to £47.7bn.

After making valuation adjustments Shell reported that its net income in 1981 was £1.51bn, about the same as in the previous year.

Sir Peter said that the group's improved financial performance in the second half of last year was due to the changing value of the dollar against other currencies which reduced the cost of dollar-based crude oil; and Saudi Arabia realigning its prices thus eliminating the $4 a barrel cost advantage enjoyed by some of Shell's U.S. competitors. Shell's adjusted income then was just over £1bn against £507m in the first six months.

He said that there was still no sign of an end to the decline in demand for oil and chemical products, but added that the picture was clouded by the uncertainty over stocks.

Shell, he said, had taken considerable de-stocking measures last year. It was now benefiting from this, for the group's companies were able to buy supplies where they were cheapest.

He would not speculate on future oil prices. The cost of spot cargoes of products suggested that Saudi Arabia's Arab Light crude oil should be priced nearer $30 a barrel than the present $34. For once, he said, the price of products—like petrol—was dragging down the rates for crude oil.

Shell shares rose 12p in London yesterday to close at 350p.

**Texaco plans £100m Pembroke plant to meet lead regulations, and Baxendell to head Royal Dutch Shell,** **Page 6**

**Royal Dutch Shell little changed,** **Page 22**

# French growers blast Italian wine

BY DAVID WHITE IN PARIS

THE FRANCO-ITALIAN wine war literally blew up yesterday when southern French producers exploded two giant containers in Sete, the Mediterranean port where most Italian imports are offloaded.

Between 5m and 6m litres (1.1m-1.3m gallons) of wine was destroyed in the raid, according to reports last night. About 500 winegrowers from neighbouring regions were said to have taken part in the attack. Several tanker lorries were also emptied.

French winegrowers' anger was reignited last week when the French Prime Minister M Pierre Mauroy said he would obey an injunction handed down by the European Court and unblock the estimated 34m litres of Italian wine held in French ports.

France was taken to court by the European Commission at the end of January for halting customs clearance for Italian wine.

Yesterday's attack was the most spectacular protest by French growers—who claim that excessive imports of Italian wines undermine their market—since last August. Then a group boarded a freighter in Sete harbour and ruined its cargo of wine by pouring fuel into the holds.

The storage tanks destroyed in the raid belonged to Comptoir Agricole Français, a large importer. This company, which was also the consignee of last August's ruined freighter shipment, had among its main shareholders M Jean-Baptiste Doumeng, the Communist agri-businessman known as the "red millionnaire."

The company said yesterday that some of the wine destroyed was local French produce. The protesters, who also used sledgehammers to break up metal pipes at the depot, said it all came from Italy.

"The attack is likely to provoke further protests from Rome about the failure of French police to control such outbreaks of violence.

The recent French blockage on Italian wine was the second occasion in six months that the authorities had taken this kind of measure in response to the winegrowers' campaign.

M Mauroy *reaffirmed* last week that Paris was seeking a reform of EEC wine policy as a long-term solution.

# Statement on De Lorean 'soon'

BY JOHN GRIFFITHS

UNSECURED creditors of De Lorean Motor Cars could expect at least 30p in the pound if the Belfast company were restructured as a going concern but nothing if it were wound up the receivers said yesterday.

A committee representing about 160 creditors who claim they are owed between £20m and £25m was told by Mr Paul Shewell, joint receiver with Sir Kenneth Cork of Cork, Gully, the accountants, that a full statement of the company's affairs was nearing completion. Creditors would be supplied with a summary soon.

Mr Shewell broke nearly two weeks of silence on the receivers' efforts to find £40m in fresh funding for the company. He said these moves were "very much alive" and that progress was being made towards refinancing.

When the receivers were called in on February 19, Sir Kenneth said he estimated the sports car manufacturers could be kept going for up to five weeks. The company is still employing 1,500 workers but is building fewer than 40 cars a week compared with a January level of 400. About 280 vehicles were sold by De Lorean Motor Company, the distributors, in the U.S. last month.

Mr Malcolm Stevens, the creditors' committee chairman and managing director of a small De Lorean supplier in Lisburn, said after the meeting that the committee "felt much more confident" about the prospects of the company avoiding liquidation. He said Mr Shewell declined, however, to say who the Receivers were negotiating with.

Mr Stevens said the renewed optimism was felt despite yesterday's suit filed in the U.S. by Bank of America alleging that the U.S. distribution company was in default on a £10m loan provided to finance car stocks. The bank seeks to seize 1,979 cars—about two-thirds of the unsold stock—in compensation.

A possible solution to this problem is being sought in Chicago, where officials of the U.S. Budget Rent-a-car Corporation met De Lorean Motor Company yesterday in an attempt to conclude a deal whereby Budget would buy 1,000 De Lorean cars immediately and a further 1,000 in 12 months.

Mr Morris Belzberg, Budget's president, sad last night the meeting "was very positive. We don't have a deal yet, but we are confident that there will be a positive ontcom, possibly next week.

"It would involve Bank of America being paid out in full."

# Trident II ordered Continued from Page 1

our security and the deterrent strength of Nat as a whole."

He had no doub that the decision to opt for Trident II, and thus retain "commonality" with the U.S., was the right one, and would prove cost effective in the long rum.

Mr. Nott insisted that the cost would be within the estimates given to the Commons Defence Committee a year ago when it looked possible that Britain would ont for the *Trident II*—also known as the DS missile.

The original £5bn on Trident I at July 1980 prices had become £6bn with the likelihood of the D5, Mr. Nott said then.

Yesterday he said that the additional cost of the missiles would be £390m while the new British PWR2 reactor, which will be fitted into the submarines, together with improved sonar and a larger hull would cost an extra £500m. These were all Jnly 80 prices.

Translated into September 1981 prices and taking into account some £700m extra as a result of exchange rate changes, Mr Nott said the new price for Trident was £7.Sbn, or 3 per cent of the overall defence budget over some 1S years.

The Defence Secretary was at pains to point out to the Commons that the agreement to buy tha Trident II was much more advantageous to Britain than earlier agreements.

Britain was originally to have bought an earlier version of Trident missile—the Trident 1 or C4—from the U.S. Letters between President *Ronald* Reagan and Mrs Margaret Thatcher and between the U.S. and UK Secretaries of State to that effect were exchanged in July 1980.

But *last October*, as part of an $180bn (£99bn) programme to modernise the U.S. nuclear arsenal, President Reagan decided to phase out the C4 in favour of the DS, a more advanced *missile which* is in effect still on the drawing board.

The British Government has spent the past few months studying its options and yesterday's announcement on the *D5* was accompanied by a new series of letters outlining some of the new terms.

The Government will pay a fixed charge of $116m for research and development which will "protect us completely from cost escalation," Mr Nott said. But he late racknowledged that it would be up to the U.S. Navy to keep down the costs of actually producing the weapons.

The new correspondence between Britain and America which seals the Trident II deal also states that British companies will be encouraged to compete on equal terms with American companies for contracts in the whole Trident programme,

Mr Nott told the Commons that to make this possible the U.S. bad agreed to waive certain provisions of its Buy American legislation—although *there was some doubt last* night as to whether Congress would approve such a move.

If Mr Nott had hoped, as had been suggested, to get a specific guarantee of 'offset' contracts for British industry, he has been disappointed.

Continued from Page 1

# Murdoch

company or the independent directors last night.

In a statement released last night, Mr Murdoch, said that about 430 jobs and more than 40 0shifts had ben axed at The Times and the Sunday Times since talks began with unions a month ago.

The cuts amount to about 70 per cent of the company's original demand for 600 staff redundancies and the ending of *900 shifts, and will provide* a saving of about £8m a year.

Further talks are still to take place over manning cuts in The Times machine room and the Sunday Times warehouse.

# Poland cuts arrears Continued from Page 1

1982 shipments to Poland hy the end of this month.

"Up to now we have given equal treatment to all banks and governments," said Mr Minkiewicz. Bnt if some countries refuse to reschedule and other governments are ready to, "we would differentiate in our attitude to them." Austria in particular is "interested in maintaining its energy imports like coal from us, and its exports to Poland," *Mr Wolosyn claimed.*

The bankers explained their arithmetic on Poland's parlous financial situation this year. Total debt obligations falling due this year amounted to $10bn, of whicb $7bn was principal and $3bn interest, they said. Of the $7bn, $2.2bn was owed to Western governments, $2.4bn to Western banks, and most of the rest to Comecon countries.

The Polish officials expect hard currency exports to reach about$6-7bn this year. But since imports had been drastically squeezed for lack of credit, hard currency trade might he $0.5bn—1.0bn in tbe black. They declined to *comment on* the possibility that, without a fresh currency injection from Moscow, Poland might not have enough to pay the interest on even в rescheduled 1982 Western bank debt.

Mr Minkiewicz said Poland was still interested in membership of the International Monetary Fund and denied it was dragging its heels with the IMF, which sent в team back to Warsaw this week.

The Polish Government was not counting on any IMF loan this year in its calculations. But the Bank Handlowy commented that many of General Jaruzelski's Government's recent *measures, such as* the February price increases, would be just what the IMF "doctor" would order, if and wben Poland entered the IMF and drew a loan.

## Weather

**UK TODAY**

RAIN, some snow, cold and windy.

**N. England, Wales**
Rain, some thunder in the west. Max. 8C (46F).

**Midlands and Central England**
Dry, scattered showers later. Max. 8C (46F).

**Scotland, Lake District, N. Ireland, Borders**
Snow, thundery showers, hail possible. Max. 6C (43F).

**WORLDWIDE**

| | | Y'day midday °C | °F | | | Y'day midday °C | °F |
|---|---|---|---|---|---|---|---|
| Alaccio | C | 15 | 59 | L. Ang.† | — | — | — |
| Algiers | S | 20 | 68 | Luxmbg. | F | 5 | 41 |
| Amsdm. | C | 6 | 43 | Luxor | — | — | — |
| Athens | S | 15 | 59 | Madrid | S | 15 | 59 |
| Bahrain | — | — | — | Majorca | S | 19 | 66 |
| Barcine. | S | 17 | 63 | Malaga | S | 18 | 64 |
| Beirut | S | 14 | 57 | Malta | F | 16 | 61 |
| Belfast | Sl | 2 | 36 | Mchstr. | C | 6 | 43 |
| Belgrd. | C | 13 | 55 | Melbne. | — | — | — |
| Berlin | R | 5 | 41 | Mx. C.† | — | — | — |
| Biarritz | C | 12 | 54 | Miami† | — | — | — |
| Brmghm. | F | 7 | 45 | Milan | S | 12 | 54 |
| Blackp'l | S | 6 | 43 | Montr'l† | — | — | — |
| Bordx. | C | 14 | 57 | Moscow | F | −6 | 21 |
| Boulgn. | S | 6 | 43 | Munich | C | 3 | 37 |
| Bristol | C | 6 | 43 | Nairobi | — | — | — |
| Brussels | F | 7 | 45 | Naples | R | 12 | 54 |
| Budpst. | R | 6 | 43 | Nassau | — | — | — |
| Cairo | F | 18 | 64 | Nwcstl. | R | 3 | 37 |
| Cardiff | C | 8 | 48 | N York† | — | — | — |
| Casbca. | S | 16 | 61 | Nice | S | 18 | 64 |
| Cape T. | S | 20 | 68 | Nicosia | — | — | — |
| Chicg.† | C | 2 | 36 | Oporto | — | — | — |
| Cologne | R | 6 | 43 | Oslo | R | 2 | 36 |
| Cpnhgn. | C | 5 | 41 | Paris | F | 6 | 43 |
| Corfu | — | — | — | Perth | S | 29 | 84 |
| Denvert | F | 0 | 32 | Prague | C | 4 | 39 |
| Dublin | R | 6 | 43 | Rykjvk. | F | −5 | 23 |
| Dbrvnk. | — | — | — | Rhodes | [illegible] | [illegible] | [illegible] |
| Ednbgh. | C | 4 | 39 | Rio J'o† | — | — | — |
| Faro | — | — | — | Rome | C | 15 | 59 |
| Florence | T | 14 | 57 | Salzb'g | Sn | 4 | 39 |
| Frankf't | S | 6 | 43 | S'ciscot | — | — | — |
| Funchal | S | 15 | 61 | S. M'ritz | — | — | — |
| Geneva | S | 3 | [illegible] | Singapr. | — | — | — |
| Gibrltr | [illegible] | [illegible] | [illegible] | Stckhm | Sn | [illegible] | [illegible] |
| Glasg'w | Sn | 4 | 39 | Strasb'g | Sn | 1 | 43 |
| G'nsey | S | 6 | 43 | Strasb'g | [illegible] | [illegible] | [illegible] |
| Helsinki | S | −1 | 30 | Sydney | — | — | — |
| H. Kong | — | — | — | Tangier | — | — | — |
| Innsbr'k | Sl | 3 | 37 | Tel Aviv | C | 14 | 57 |
| Invrnss. | S | 6 | 43 | Tenerife | S | 21 | 70 |
| I.o Man | — | — | — | Tokyo | — | — | — |
| Istanbul | — | — | — | Toronto† | — | — | — |
| Jersey | R | 10 | 50 | Tunis | S | 15 | 64 |
| Jo'burg | — | — | — | Valencia | S | 21 | 70 |
| L. Pima. | a | 19 | 66 | Venice | C | 7 | 45 |
| Lisbon | F | 17 | 63 | Vienna | C | 7 | 45 |
| Locarno | — | — | — | Warsaw | R | 4 | 39 |
| London | C | 8 | 48 | Zurich | Sn | 3 | 37 |

C—Cloudy. F—Fair. R—Rain. S—Sunny. Sn—Snow. Sl—Sleet. T—Thunder. † Noon GMT temperatures.